

Finance Career Cluster

Performance Indicators

The Finance Career Cluster Performance Indicators are used for the following competitive events:

- Accounting Applications Series
- Financial Analysis Team Decision Making

Draft Performance Indicators 2009 - 2010 DECA Competitive Events

Performance Indicators for this competitive event are used to define the parameters of the written exam and other activities that are part of the overall competition. These performance indicators are a draft of the final document planned for release in the summer of 2010 for the 2011 events. This draft is the basis of events for the 2010 DECA ICDC only.

This draft list was compiled by *MBAResearch* and Curriculum Center and DECA Inc. and represents preliminary efforts to support all DECA competitive events within the overall framework of the National Marketing Education Standards. Individual indicators are based on a review of prior research and on extensive review of available online and print literature—both from industry and education. Over the next year, *MBAResearch* and DECA Inc. will refine the list, edit, and evaluate individual indicators and validate the entire list with the national business community.

For additional information on these Performance Indicators, the National Curriculum Framework, or the National Marketing Education Standards, please visit the *MBAResearch* web site at www.MBAResearch.org. Questions may be e-mailed to betho@MBAResearch.org

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Note: Performance Indicators with * in front will only be used for role-plays and case studies. Performance Indicators without * in front will be used for comprehensive exam questions, role-plays and case studies.

Instructional Area: Business Law

Knowledge and Skill Statement: Understands business's responsibility to know and abide by laws, regulations, and ethical behavior that affect business operations and transactions

Performance Element: Acquire foundational knowledge of business laws and regulations to understand their nature and scope.

Performance Indicators:

Discuss the nature of law and sources of law in the United States

Describe the United States' judicial system

Describe legal issues affecting businesses

Performance Element: Understand the civil foundations of the legal environment of business to demonstrate knowledge of contracts.

Performance Indicators:

Identify the basic torts relating to business enterprises

Describe the nature of legally binding contracts

Performance Element: Explore the regulatory environment of United States' businesses to understand the diversity of regulations.

Performance Indicators:

Describe the nature of legal procedure

Discuss the nature of debtor-creditor relationships

Explain the nature of agency relationships

Discuss the nature of environmental law

Discuss the role of administrative law

Performance Element: Apply knowledge of business ownership to establish and continue business operations.

Performance Indicators:

Explain types of business ownership

Performance Element: Understand government regulations pertaining to the finance industry to protect the company wellbeing.

Performance Indicators:

Discuss legal considerations in the finance industry

Discuss the effect of tax laws and regulations on financial transactions

Instructional Area: Communication Skills

Knowledge and Skill Statement: Understands the concepts, strategies, and systems used to obtain and convey ideas and information

Performance Element: Read to acquire meaning from written material and to apply the information to a task.

Performance Indicators:

Identify sources that provide relevant, valid written material
Extract relevant information from written materials
Apply written directions to achieve tasks
Analyze company resources to ascertain policies and procedures

Performance Element: Apply active listening skills to demonstrate understanding of what is being said.

Performance Indicators:

Explain communication techniques that support and encourage a speaker
Follow oral directions
Demonstrate active listening skills

Performance Element: Apply verbal skills to obtain and convey information.

Performance Indicators:

Explain the nature of effective verbal communications
Ask relevant questions
Interpret others' nonverbal cues
Provide legitimate responses to inquiries
Give verbal directions
Employ communication styles appropriate to target audience
Defend ideas objectively
Handle telephone calls in a businesslike manner
Participate in group discussions
Make oral presentations

Performance Element: Record information to maintain and present a report of business activity.

Performance Indicators:

Utilize note-taking strategies
Organize information
Select and use appropriate graphic aids

Performance Element: Communicate with staff to clarify workplace objectives.

Performance Indicators:

Explain the nature of staff communication
Choose appropriate channel for workplace communication
Participate in a staff meeting

Performance Element: Write internal and external business correspondence to convey and obtain information effectively.

Performance Indicators:

Explain the nature of effective written communications

Select and utilize appropriate formats for professional writing

Edit and revise written work consistent with professional standards

Write professional e-mails

Write business letters

Write informational messages

Write inquiries

Write persuasive messages

Write executive summaries

Prepare simple written reports

Instructional Area: Customer Relations

Knowledge and Skill Statement: Understands the techniques and strategies used to foster positive, ongoing relationships with customers

Performance Element: Foster positive relationships with customers to enhance company image.

Performance Indicators:

- Explain the nature of positive customer relations
- Demonstrate a customer-service mindset
- Reinforce service orientation through communication
- Respond to customer inquiries
- Adapt communication to the cultural and social differences among clients
- Interpret business policies to customers/clients

Performance Element: Resolve conflicts with/for customers to encourage repeat business.

Performance Indicators:

- Handle difficult customers
- Handle customer/client complaints

Performance Element: Reinforce company's image to exhibit the company's brand promise.

Performance Indicators:

- Identify company's brand promise
- Determine ways of reinforcing the company's image through employee performance

Performance Element: Understand the nature of customer relationship management to show its contributions to a company.

Performance Indicators:

- Discuss the nature of customer relationship management
- Explain the role of ethics in customer relationship management
- Describe the use of technology in customer relationship management

Performance Element: Understand characteristics, motivations, and behaviors of clients in finance to facilitate client interaction.

Performance Indicators:

- Explain the responsibilities of finance professionals in providing client services

Performance Element: Utilize technology to facilitate customer relationship management.

Performance Indicators:

- Use Customer Relationship Management (CRM) technology

Instructional Area: Economics

Knowledge and Skill Statement: Understands the economic principles and concepts fundamental to business operations

Performance Element: Understand fundamental economic concepts to obtain a foundation for employment in business.

Performance Indicators:

- Distinguish between economic goods and services
- Explain the concept of economic resources
- Describe the concepts of economics and economic activities
- Determine economic utilities created by business activities
- Explain the principles of supply and demand
- Describe the functions of prices in markets

Performance Element: Understand the nature of business to show its contributions to society.

Performance Indicators:

- Explain the role of business in society
- Describe types of business activities
- Explain the organizational design of businesses
- Discuss the global environment in which businesses operate
- Describe factors that affect the business environment
- Explain the nature of business ethics
- Explain how organizations adapt to today's markets

Performance Element: Understand economic systems to be able to recognize the environments in which businesses function.

Performance Indicators:

- Explain the types of economic systems
- Explain the concept of private enterprise
- Identify factors affecting a business's profit
- Determine factors affecting business risk
- Explain the concept of competition

Performance Element: Acquire knowledge of the impact of government on business activities to make informed economic decisions.

Performance Indicators:

- Determine the relationship between government and business
- Describe the nature of taxes

Performance Element: Analyze cost/profit relationships to guide business decision-making.

Performance Indicators:

- Explain the concept of productivity
- Analyze impact of specialization/division of labor on productivity
- Explain the concept of organized labor and business
- Explain the impact of the law of diminishing returns

Performance Element: Understand economic indicators to recognize economic trends and conditions.

Performance Indicators:

Discuss the measure of consumer spending as an economic indicator

Describe the economic impact of inflation on business

Explain the concept of Gross Domestic Product (GDP)

Discuss the impact of a nation's unemployment rates

Explain the economic impact of interest-rate fluctuations

Determine the impact of business cycles on business activities

Performance Element: Determine global trade's impact on business decision-making.

Performance Indicators:

Explain the nature of global trade

Describe the determinants of exchange rates and their effects on the domestic economy

Discuss the impact of cultural and social environments on global trade

Instructional Area: Emotional Intelligence

Knowledge and Skill Statement: Understands techniques, strategies, and systems used to foster self-understanding and enhance relationships with others

Performance Element: Foster self-understanding to recognize the impact of personal feelings on others.

Performance Indicators:

Describe the nature of emotional intelligence
Explain the concept of self esteem
Recognize personal biases and stereotypes
Assess personal strengths and weaknesses

Performance Element: Develop personal traits to foster career advancement.

Performance Indicators:

Identify desirable personality traits important to business
Exhibit self-confidence
Demonstrate interest and enthusiasm
Demonstrate initiative

Performance Element: Apply ethics to demonstrate trustworthiness.

Performance Indicators:

Demonstrate responsible behavior
Demonstrate honesty and integrity
Demonstrate ethical work habits

Performance Element: Exhibit techniques to manage emotional reactions to people and situations.

Performance Indicators:

Exhibit a positive attitude
Demonstrate self control
Explain the use of feedback for personal growth
Adjust to change

Performance Element: Identify with others' feelings, needs, and concerns to enhance interpersonal relations.

Performance Indicators:

Respect the privacy of others
Show empathy for others
Exhibit cultural sensitivity

Performance Element: Use communication skills to foster open, honest communications.

Performance Indicators:

Explain the nature of effective communications
Explain ethical considerations in providing information

Performance Element: Use communication skills to influence others.

Performance Indicators:

Persuade others

Demonstrate negotiation skills

Performance Element: Manage stressful situations to minimize negative workplace interactions.

Performance Indicators:

Use appropriate assertiveness

Use conflict-resolution skills

Explain the nature of stress management

Performance Element: Implement teamwork techniques to accomplish goals.

Performance Indicators:

Participate as a team member

Use consensus-building skills

Motivate team members

Performance Element: Employ leadership skills to achieve workplace objectives.

Performance Indicators:

Explain the concept of leadership

Determine personal vision

Demonstrate adaptability

Develop an achievement orientation

Lead change

Enlist others in working toward a shared vision

Coach others

Performance Element: Manage internal and external business relationships to foster positive interactions.

Performance Indicators:

Treat others fairly at work

Foster positive working relationships

Maintain collaborative partnerships with colleagues

Explain the impact of political relationships within an organization

Instructional Area: Financial Analysis

Knowledge and Skill Statement: Understands tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources

Performance Element: Understand the fundamental principles of money needed to make financial exchanges.

Performance Indicators:

Explain forms of financial exchange (cash, credit, debit, electronic funds transfer, etc.)

Identify types of currency (paper money, coins, banknotes, government bonds, treasury notes, etc.)

Describe functions of money (medium of exchange, unit of measure, store of value)

Describe sources of income (wages/salaries, interest, rent, dividends, transfer payments, etc.)

Explain the time value of money

Explain the purposes and importance of credit

Explain legal responsibilities associated with financial exchanges

Performance Element: Analyze financial needs and goals to determine financial requirements.

Performance Indicators:

Explain the nature of financial needs (e.g., college, retirement, wills, insurance, etc.)

Set financial goals

Develop personal budget

*Determine profitability of business services

Performance Element: Manage personal finances to achieve financial goals.

Performance Indicators:

Explain the nature of tax liabilities

Interpret a pay stub

Prepare bank account documents (e.g., checks, deposit/withdrawal slips, endorsements, etc.)

Maintain financial records

Read and reconcile bank statements

Demonstrate the wise use of credit

Validate credit history

Protect against identity theft

Prepare personal income tax forms (i.e., 1040 EZ form)

Performance Element: Understand the use of financial-services providers to aid in financial-goal achievement.

Performance Indicators:

Describe types of financial-services providers

Discuss considerations in selecting a financial-services provider

Performance Element: Use investment strategies to ensure financial well-being.

Performance Indicators:

Explain types of investments

Performance Element: Identify potential business threats and opportunities to protect a business's financial well-being.

Performance Indicators:

Describe the concept of insurance
Explain the nature of risk management

Performance Element: Acquire a foundational knowledge of accounting to understand its nature and scope.

Performance Indicators:

Explain the concept of accounting
Explain the need for accounting standards
Discuss the role of ethics in accounting
Explain the use of technology in accounting
Explain legal considerations for accounting

Performance Element: Implement accounting procedures to track money flow and to determine financial status.

Performance Indicators:

Describe the nature of cash flow statements
Explain the nature of balance sheets
Describe the nature of income statements

Performance Element: Acquire a foundational knowledge of finance to understand its nature and scope.

Performance Indicators:

Explain the role of finance in business
Discuss the role of ethics in finance
Explain legal considerations for finance

Performance Element: Manage financial resources to ensure solvency.

Performance Indicators:

Describe the nature of budgets
*Calculate financial ratios
*Explain the nature of operating budgets
*Analyze cash flow patterns
*Conduct break-even analysis
*Interpret financial statements

Performance Element: Analyze financial needs and goals to determine financial requirements.

Performance Indicators:

Explain the need to save and invest

Performance Element: Understand financial markets to recognize their importance in business.

Performance Indicators:

Describe the role of financial institutions

Explain types of financial markets (e.g., money market, capital market, insurance market, commodities markets, etc.)

Discuss the nature of convergence/consolidation in the finance industry

Describe the relationship between economic conditions and financial markets

Explain the nature and scope of financial globalization

Performance Element: Utilize sources of securities information to make informed financial decisions.

Performance Indicators:

Describe sources of securities information

Interpret securities table

Performance Element: Additional specialized performance indicators.

Performance Indicators:

*Set financial goals

*Optimize rate of return

*Predict future returns on financial investment products

*Calculate rates of return on financial investment products

*Determine profit-margin requirements

*Verify information in financial statements

*Assess risk-return tradeoffs

*Prepare cash-flow statement

*Analyze cash flow

*Evaluate future cash flow

*Determine financial strengths/weaknesses of a business

*Project future cash needs

*Calculate depreciation

*Conduct breakeven analysis

*Plan uses of cash

*Manage receivables

*Determine when to factor accounts receivable

*Explain the nature of short-term financing instruments

*Compute costs of inventory

*Manage cash-flow cycle

*Interpret quarterly reports

Instructional Area: Human Resources Management

Knowledge and Skill Statement: Understands the tools techniques, and systems that businesses use to plan, staff, lead, and organize its human resources

Performance Element: Understand the role and function of human resources management to obtain a foundational knowledge of its nature and scope.

Performance Indicators:

Discuss the nature of human resources management

Explain the role of ethics in human resources management

Describe the use of technology in human resources management

Performance Element: Manage staff growth and development to increase productivity and employee satisfaction.

Performance Indicators:

Orient new employees

Instructional Area: Information Management

Knowledge and Skill Statement: Understands tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate information to assist business decision-making

Performance Element: Use information literacy skills to increase workplace efficiency and effectiveness.

Performance Indicators:

Assess information needs
Obtain needed information efficiently
Evaluate quality and source of information
Apply information to accomplish a task
Store information for future use

Performance Element: Acquire a foundational knowledge of information management to understand its nature and scope.

Performance Indicators:

Discuss the nature of information management
Explain the role of ethics in information management
Explain legal issues associated with information management

Performance Element: Utilize information-technology tools to manage and perform work responsibilities.

Performance Indicators:

Identify ways that technology impacts business
Explain the role of information systems
Discuss principles of computer systems
Use basic operating systems
Describe the scope of the Internet
Demonstrate basic e-mail functions
Demonstrate personal information management/productivity applications
Demonstrate basic web-search skills
Demonstrate basic word processing skills
Demonstrate basic presentation applications
Demonstrate basic database applications
Demonstrate basic spreadsheet applications
Use an integrated business software application package
Demonstrate collaborative/groupware applications
Create and post basic web page

Performance Element: Maintain business records to facilitate business operations.

Performance Indicators:

Describe the nature of business records
Maintain customer records

Performance Element: Acquire information to guide business decision-making.

Performance Indicators:

Describe current business trends

Monitor internal records for business information

Conduct an environmental scan to obtain business information

Interpret statistical findings

Instructional Area: Marketing

Knowledge and Skill Statement: Understands the tools, techniques, and systems that businesses use to create exchanges and satisfy organizational objectives

Performance Element: Understand marketing's role and function in business to facilitate economic exchanges with customers.

Performance Indicators:

Explain marketing and its importance in a global economy
Describe marketing functions and related activities

Performance Element: Acquire foundational knowledge of customer/client/business behavior to understand what motivates decision-making.

Performance Indicators:

Explain customer/client/business buying behavior
Discuss actions employees can take to achieve the company's desired results
Demonstrate connections between company actions and results (e.g., influencing consumer buying behavior, gaining market share, etc.)

Performance Element: Understand company's unique selling proposition to recognize what sets the company apart from its competitors.

Performance Indicators:

Identify company's unique selling proposition
Identify internal and external service standards

Instructional Area: Operations

Knowledge and Skill Statement: Understands the processes and systems implemented to monitor, plan, and control the day-to-day activities required for continued business functioning

Performance Element: Understand operation's role and function in business to value its contribution to a company.

Performance Indicators:

Explain the nature of operations
Discuss the role of ethics in operations
Describe the use of technology in operations

Performance Element: Adhere to health and safety regulations to support a safe work environment.

Performance Indicators:

Describe health and safety regulations in business
Report noncompliance with business health and safety regulations

Performance Element: Implement safety procedures to minimize loss.

Performance Indicators:

Follow instructions for use of equipment, tools, and machinery
Follow safety precautions
Maintain a safe work environment
Explain procedures for handling accidents
Handle and report emergency situations

Performance Element: Implement security policies/procedures to minimize chance for loss.

Performance Indicators:

Explain routine security precautions
Follow established security procedures/policies
Protect company information and intangibles

Performance Element: Utilize project-management skills to improve workflow and minimize costs.

Performance Indicators:

Explain the nature of project management
Identify resources needed for project
Develop project plan
Apply project-management tools to monitor project progress
Evaluate project results

Performance Element: Maintain property and equipment to facilitate ongoing business activities.

Performance Indicators:

Identify routine activities for maintaining business facilities and equipment

Performance Element: Implement purchasing activities to obtain business supplies, equipment, and services.

Performance Indicators:

Explain the nature and scope of purchasing
Place orders/reorders
Maintain inventory of supplies
Manage the bid process in purchasing
Select vendors
Evaluate vendor performance

Performance Element: Understand production's role and function in business to recognize its need in an organization.

Performance Indicators:

Explain the concept of production
Describe production activities

Performance Element: Implement quality-control processes to minimize errors and to expedite workflow.

Performance Indicators:

Identify quality-control measures
Utilize quality control methods at work
Describe crucial elements of a quality culture

Performance Element: Implement expense-control strategies to enhance a business's financial wellbeing.

Performance Indicators:

Explain the nature of overhead/operating costs
Explain employee's role in expense control

Instructional Area: Professional Development

Knowledge and Skill Statement: Understands concepts, tools, and strategies used to explore, obtain, and develop in a business career

Performance Element: Acquire self-development skills to enhance relationships and improve efficiency in the work environment.

Performance Indicators:

Maintain appropriate personal appearance
Demonstrate systematic behavior
Set personal goals

Performance Element: Utilize critical-thinking skills to determine best options/outcomes.

Performance Indicators:

Explain the need for innovation skills
Make decisions
Demonstrate problem-solving skills
Demonstrate appropriate creativity
Use time-management skills

Performance Element: Participate in career-planning to enhance job-success potential.

Performance Indicators:

Assess personal interests and skills needed for success in business
Analyze employer expectations in the business environment
Explain the rights of workers
Identify sources of career information
Identify tentative occupational interest
Explain employment opportunities in business
Explain career opportunities in entrepreneurship

Performance Element: Implement job-seeking skills to obtain employment.

Performance Indicators:

Utilize job-search strategies
Complete a job application
Interview for a job
Write a follow-up letter after job interviews
Write a letter of application
Prepare a résumé
Use networking techniques to identify employment opportunities

Performance Element: Utilize career-advancement activities to enhance professional development.

Performance Indicators:

Discuss licensure and certification available to finance professionals
Discuss opportunities for building professional relationships in finance

Performance Element: Utilize career-advancement activities to enhance professional development.

Performance Indicators:

Describe techniques for obtaining work experience (e.g., volunteer activities, internships)

Explain the need for ongoing education as a worker

Explain possible advancement patterns for jobs

Identify skills needed to enhance career progression

Utilize resources that can contribute to professional development (e.g., trade journals/periodicals, professional/trade associations, classes/seminars, trade shows, and mentors)

Performance Element: Explore careers in finance to enhance potential for career success.

Performance Indicators:

Discuss career opportunities in the finance industry

Instructional Area: Strategic Management

Knowledge and Skill Statement: Understands tools, techniques, and systems that affect a business's ability to plan, control, and organize an organization/department

Performance Element: Recognize management's role to understand its contribution to business success.

Performance Indicators:
Explain the concept of management

Instructional Area: Compliance

Knowledge and Skill Statement: Understands business's responsibility to know, comply with, and enforce laws and regulations that affect financial business operations and transactions

Performance Element: Acquire a foundational knowledge of compliance to understand its nature and scope.

Performance Indicators:

Discuss the nature and scope of compliance in the finance industry

Describe the use of technology in compliance

Instructional Area: Financial-Information Management

Knowledge and Skill Statement: Understands tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate financial information to assist business decision-making

Performance Element: Acquire foundational knowledge of financial-information management to understand its scope and nature.

Performance Indicators:

Describe the need for financial information

Explain the nature and scope of the financial-information management function

Explain the role of ethics in financial-information management

Performance Element: Utilize financial information technology tools to manage financial information and perform work responsibilities.

Performance Indicators:

Describe the use of technology in the financial-information management function

Demonstrate data mining techniques

Demonstrate budgeting applications

Demonstrate financial analysis applications

Demonstrate advanced database applications

Performance Element: Understand the importance of accurately reporting a business's financial position to provide information in a proper manner.

Performance Indicators:

Describe the need to accurately report a business's financial position

Describe the relationship between accounting (with an emphasis on cash flow) and finance (with an emphasis on decision making)

Discuss types of accounting systems used to report a business's financial position (i.e. financial, tax, management, cost, accrual)

Performance Element: Acquire foundational knowledge of financial information analysis to aid in financial decision-making.

Performance Indicators:

Explain the use of financial information to identify trends

Describe the need to analyze customer financial information

Identify reasons to analyze financial data (e.g. to understand accounting treatment, to verify information, to analyze variances, to guide financial decision-making)

Instructional Area: Risk Management

Knowledge and Skill Statement: Understands risk-management strategies and techniques used to minimize business loss

Performance Element: Acquire a foundational understanding of risk management to demonstrate knowledge of its nature and scope.

Performance Indicators:

Explain the role of ethics in risk management

Describe the use of technology in risk management

Performance Element: Explore risk control to understand its relationship to risk management.

Performance Indicators:

Discuss the nature of risk control (i.e. internal and external)