

**Mississippi Department of Education  
Office of Curriculum and Instruction**

Course Title: **Personal Finance**

Grade Level: **9, 10, 11, 12**

Carnegie Unit: **½**

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# Personal Finance

Competency 1: Explain the fundamental principles of financial exchanges.

## Suggested Enduring Understandings

1. Students will learn the exchanges of money and finances in the economy.
2. There are legal responsibilities associated with financial exchanges.

## Suggested Essential Questions

1. What role does money play in our economy?
2. What are the legalities when dealing with money and finances?

Suggested Performance Indicators	Suggested Teaching Strategies	Suggested Assessment Strategies
a. Explain forms of financial exchange.	a. Define money to include that it consists of currency, checkable deposits, traveler's checks, savings accounts, time deposits, money market mutual fund accounts, debit cards, and electronic money. Have students compare, contrast, and determine relationships between the various types of currency to include legal tender notes and coinage. Describe the three functions of money to include store of value, unit of account, and medium of exchange. Describe the methods of obtaining capital to include equity, capital, retained earnings, and debt capital. Explain the time value of money to include the role of time in demand.	a. Monitor class activity to ensure that all students participate.
b. Identify types of currency.	b. Have a guest speaker from the Federal Reserve System in New Orleans speak to students about the process of making and distributing money.	b. Evaluate students' understanding by writing five new facts that they learned from the presentation.
c. Describe functions of money.	c. Hold a classroom discussion on the benefits of credit to include convenience, protection, emergencies, opportunity to build credit, quicker gratification, special offers, and bonuses. Be sure to include the potential risks of credit to include interest, overspending, debt, and identity theft.	c. Assess students' knowledge through a summative assessment using a classroom response system and/or Blackboard.
d. Describe sources of income.	d. View a video on personal finance. Have each student complete a fill-in-the-blank quiz while they watch the video.	d. Assess student understanding by reviewing the fill-in-the-blank quiz.
e. Explain the time value of money.	e. Hold a classroom discussion on opportunity costs and the part that it plays in marketing.	e. Assess student understanding based on participation in class discussion.

f. Explain the purposes and importance of credit.	f. Hold a classroom discussion about the four (or six) Cs of credit that include character, capacity, capital, and conditions/circumstances and sometimes include collateral, coverage, and capability. List why each is important and why banks would need to know the four (or six) Cs of credit.	f. Use a checklist to evaluate the list created by students.
g. Explain legal responsibilities associated with financial exchanges.	g. View the “The American Currency Exhibit,” “Mutual Funds,” and “The Money Connection” that can be ordered from the Federal Reserve System with no cost. From the teacher’s guide from “Savers and Borrowers,” have students complete practical examples and realistic scenarios that will assist students in making crucial financial decisions.	g. Evaluate student examples and scenarios based on a rubric.

**Competency 2: Manage personal finances to achieve financial goals.**

**Suggested Enduring Understandings**

1. It is imperative to manage your personal finances in today’s economy.
2. Protecting your credit is vital to a healthy financial profile.

**Suggested Essential Questions**

1. Why should I keep up with my spending?
2. What difference does it make if my credit rating is good or bad?

<b>Suggested Performance Indicators</b>	<b>Suggested Teaching Strategies</b>	<b>Suggested Assessment Strategies</b>
a. Discuss financial needs.	a. View the video “Needs and Wants” provided by United Streaming. Upon completion, have students list all of the items they can think of that they purchased over the past month. Divide students into groups of three to four in order to determine which items were wants and which items were needs. The group must come to a consensus. The group will present to the class its findings via an electronic slide presentation. Have each of the other groups use a presentation rubric to determine grading for the presenting group.	a. Evaluate the Needs and Wants presentation for content and appearance using the Presentation Rubric.
b. Set financial goals.	b. Have students use the NEFE High School Planning Program that can be ordered from the National Endowment for Financial Education ( <a href="http://www.nefe.org">http://www.nefe.org</a> ) free of charge and complete the exercises in the book.	b. Evaluate the completed exercises for accuracy and completion.
c. Develop personal budgets.	c. Use budgeting software to create a personal budget.	c. Evaluate the completed personal budget by using a checklist.
d. Discuss tax liabilities.	d. Discuss the information that is on the W-2 and the Form 1040EZ and the legal reason to save documentation for 10 years. Discuss Social	d. Monitor class activity to ensure that all students participate.

	Security taxes, Medicare taxes, and Mississippi taxes.	
e. Interpret a pay stub.	e. Review a pay stub, and discuss the various benefits that are not included on that pay stub that add value to pay to include paid leave, health insurance, retirement plans, life insurance, disability insurance, and education assistance.	e. Monitor class activity to ensure that all students participate.
f. Read and reconcile bank statements.	f. Use the <i>Banking on Your Future</i> books from the Young Banker's at <a href="http://www.msbankers.com">http://www.msbankers.com</a> (free resource) or <a href="http://www.nefe.org">http://www.nefe.org</a> (another free resource) to allow students to go through the process of personal banking.	f. Monitor class activity to ensure that all students participate.
g. Maintain financial records.	g. View the video "What is Financial Future" at <a href="http://www.unitedstreaming.com">http://www.unitedstreaming.com</a> . Use the Blackline master posted at the same Web site as student-guided notes.	g. Using the Blackline master of "What is Financial Future," create a quiz using Blackboard on the need for financial planning. The original quiz is located at <a href="http://www.unitedstreaming.com">http://www.unitedstreaming.com</a> .
h. Discuss strategies for the wise use of credit.	h. Have students participate in a mock automobile purchase where they research the car of their dreams and calculate the total cost of purchasing that car with the features wanted. They are then to research various loans to determine the total cost of paying for the car including interest rates over a 36-, 48-, and 60-month period. After the total cost is determined, students are to research the cost of insurance, tag, tax, and title of the vehicle and present the total costs to the class using an Excel spreadsheet and graph of those costs.	h. Evaluate the Venn diagram and presentation for content and appearance.
i. Explain the importance of maintaining a positive credit history.	i. Introduce Equifax, Experian, and TransUnion as the three main credit-reporting agencies, and describe how the credit score is used by lenders and potential employers.  Hold a classroom debate on the ethical uses of credit-reporting agencies in determining employment. Use a teacher-created debate rubric in determining proper procedures.	i. Assess students' knowledge through a summative assessment using a classroom response system and/or Blackboard.
j. Protect against identity theft.	j. Have students view a video and/or a movie about identity theft and hold a classroom discussion on how to prevent identity theft.	j. Monitor class activity to ensure that all students participate.
k. Prepare personal income tax forms.	k. Download the 1040EZ from <a href="http://www.irs.gov">http://www.irs.gov</a> , and have students complete a tax form with teacher-created mock information and W-2. Also, have students prepare a Mississippi tax form using the same mock documentation.	k. Evaluate the tax forms for correctness.

**Competency 3:** Recognize the role of financial services providers in achieving financial goals.

**Suggested Enduring Understandings**

1. Many types of financial service providers exist for our use.
2. When selecting a financial service provider, you should consider the attributes of each.

**Suggested Essential Questions**

1. What are some of the different types of financial service providers?
2. When selecting a financial services provider, what attributes are important for consideration?

Suggested Performance Indicators	Suggested Teaching Strategies	Suggested Assessment Strategies
a. Describe types of financial services providers.	a. Have students use the Internet to research types of financial services providers. Define for them a financial services provider as a retailer that provides personal services that relate to money or other financial matters. Explain the types of financial services providers to include banks, credit unions, accounting firms, tax-preparation firms, insurance companies, and stock-brokerage firms. Have students present findings to the class.	a. Monitor class activity to ensure that all students participate.
b. Discuss considerations for selecting a financial services provider.	b. Have students discuss considerations in selecting a financial services provider to include the original cost of obtaining the financial service, the interest rate, and the power that the financial services providers will have to influence business operations. Have students post comments and ideas on a Wiki/discussion board in Blackboard.	b. Evaluate students' Wiki/discussion board postings for correctness.

**Competency 4:** Apply investment strategies to ensure financial well-being.

**Suggested Enduring Understandings**

1. Many types of investments exist for our financial well-being.
2. Businesses need financial resources.

**Suggested Essential Questions**

1. What are some of the different types of investments?
2. What is the nature of capital investments?
3. Why do businesses need financial resources to meet the needs of the business?
4. What are some of your investment goals for the future?

Suggested Performance Indicators	Suggested Teaching Strategies	Suggested Assessment Strategies
a. Explain types of investments.	a. Have students use the Internet to research types of investments to include the most common financial investments such as interest-bearing checking accounts, savings accounts, savings bonds, certificates of deposit, money market accounts, mutual funds, and treasury instruments. Have students present findings to the class.	a. Monitor class activity to ensure that all students participate.
b. Explain the nature of capital investment.	b. Discuss the nature of capital investment to include the fact that businesses need financial resources in order to meet needs of the business. Capital investment allows the business to be provided	b. Evaluate students' Wiki/discussion board postings for correctness.

	with the money needed to grow the business. Have students post comments and ideas on a Wiki/discussion board in Blackboard.	
c. Establish investment goals and objectives.	c. Have students use the Internet to research investment goals and objectives to include the importance of investors setting investment goals based on the amount of liquidity, safety, and growth. Have students present findings to the class.	c. Evaluate research for content and appearance.

**Competency 5: Apply payroll concepts.**

**Suggested Enduring Understandings**

1. Different types of pay schedules are used when calculating employee payroll.
2. When calculating hourly wages, employee's overtime pay, piece rate pay, salary, straight, and variable commission must all be used.
3. Time worked can be calculated per day, week, or pay period.
4. Tax tables are used to determine federal income tax withheld.
5. The percentage method is used to determine federal income tax withheld.
6. Each state uses a certain percentage to calculate state income tax.
7. Some states use a variable tax base to calculate state income tax.
8. Social Security taxes are calculated and withheld from employee earnings.
9. Medicare taxes are calculated and withheld from employee earnings.
10. The legislative has a history of its role in the creation of the federal income tax, Social Security tax, and Medicare tax.
11. Health insurances are deducted from employees' earnings.
12. An employee's net earnings are determined after all deductions have been calculated.
13. An earnings statement must be completed when computing payroll.
14. Completing a W-4 form demonstrates the practices of citizenship for participation in a democratic society.
15. A 1040EZ is used when preparing an income tax return.

**Suggested Essential Questions**

1. How are schedules used when calculating employee payroll?
2. What must be used to calculate employee hourly wages?
3. How can time worked be calculated?
4. What is used to determine federal income tax withheld?
5. How are percentages used to determine federal income tax withheld?
6. How does each state calculate state income tax?
7. How are variable tax bases used to calculate state income tax?
8. How are Social Security taxes calculated?
9. How are Medicare taxes calculated?
10. What role has the legislative played in the creation of federal income tax, Social Security tax, and Medicare tax?
11. How are health insurances deducted from employees' earnings?
12. How is an employee's net earnings calculated?
13. What is the purpose of an earnings statement?
14. What is the purpose of completing a W-4 form?
15. When is a 1040EZ form used?

**Suggested Performance Indicators**

**Suggested Teaching Strategies**

**Suggested Assessment Strategies**

a. Compare and calculate the various types of pay schedules.	a. Ask students the following questions: How many of you are currently working to earn a paycheck? Have you actually looked closely at your pay stub? Do you know for sure that you are being paid	a. Assess student understanding by observing contributions to class discussions and
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	properly? Do you get to keep all the money you earn?	participation in activities.
b. Calculate pay for hourly wage employees including overtime pay, piece rate pay, salary, straight and variable (graduated) commission, and salary plus commission.	b. Have students calculate hourly wages according to a given scenario.	b. Evaluate completed forms for accuracy and completeness.
c. Calculate time worked per day, week, and pay period (including overtime).	c. Have students calculate time worked according to a given scenario.	c. Evaluate completed forms for accuracy and completeness.
d. Use tax tables to determine federal income tax withheld.	d. Have students review a tax table and determine the federal income tax withheld.	d. Evaluate completed forms for accuracy and completeness.
e. Use the percentage method to determine federal income tax withheld.	e. Provide students with a federal tax schedule. Have students calculate the federal income tax withheld from an employee's earning.	e. Evaluate completed forms for accuracy and completeness.
f. Use a given percent to calculate state income tax.	f. Have students use the Internet to research their state's income tax rate. Instruct the students to calculate the state income tax withheld according to a given scenario.	f. Have students self-assess research using the Web Page Evaluation Checklist.
g. Use a variable tax base (graduated income basis) to calculate state income tax.	g. Have students use a tax base to calculate a state income tax.	g. Assess student understanding by observing contributions to class discussions and participation in activities.
h. Calculate Social Security taxes to be withheld.	h. Have students calculate Social Security taxes according to a given scenario.	h. Assess student understanding by observing contributions to class discussions and participation in activities.
i. Calculate Medicare taxes to be withheld.	i. Have students calculate Medicare taxes to be withheld according to a given scenario.	i. Assess student understanding by observing contributions to class discussions and participation in activities.
j. Analyze legislative history and the presidential role in the creation of the federal income tax, Social Security, and Medicare.	j. Have students use the Internet to research the legislative history and presidential role in the creation of the federal income tax, Social Security, and Medicare. What were the reasons behind the creation of the federal income tax, Social Security, and Medicare? What is the current status of these systems? (History of the U.S. tax system: <a href="http://www.treasury.gov/education/factsheets/taxes/ustax.shtml">http://www.treasury.gov/education/factsheets/taxes/ustax.shtml</a> ; Social Security history: <a href="http://www.ssa.gov/history/history.html">http://www.ssa.gov/history/history.html</a> ; and	j. Evaluate the brochure using the Sources of Government Funding Brochure Checklist.

history of Medicare:  
<http://www.cms.hhs.gov/History/>)

Have students use their historical knowledge to assess the current status of the federal income tax, Social Security, and Medicare. Have students debate each topic.

Classroom debate how-to's may be found at the following Web sites:  
<http://712educators.about.com/library/howto/htdebate.htm>  
<http://web.archive.org/web/20060503194518/http://w3.tvi.edu/~cgulick/roles.htm>  
<http://web.archive.org/web/20060502021955/http://www.occdsb.on.ca/~proj1615/debate.htm>

Access the IRS Web site at <http://www.irs.gov/>, and lead the class in a discussion in which students evaluate the United States taxation system.

Have students use Internet resources to define the characteristics of capitalism and evaluate the role of the U.S. taxation system in a capitalistic society.

Have students use Internet resources to compare and contrast the sources of government funding of the United States (i.e., taxation) to France, Germany, Russia, and China.

Provide information related to design principles.  
[http://desktoppub.about.com/cs/basics/f/dtp\\_rules.htm](http://desktoppub.about.com/cs/basics/f/dtp_rules.htm)  
[http://desktoppub.about.com/od/designprinciples/Principles\\_of\\_Design.htm](http://desktoppub.about.com/od/designprinciples/Principles_of_Design.htm)

Have students create a brochure that lists and describes sources of government funding for France, Germany, Russia, and China. Include an analytical section under each country describing the pros and cons of the funding sources. Have students present their findings to the class.

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k. Calculate employee's share of health insurance deductions.	k. Have students research the Internet to find cost of different types of health insurance.	k. Have students self-assess research using the Web Page Evaluation Checklist.
l. Calculate net pay.	l. Demonstrate how to calculate employee net earnings.	l. Evaluate completed forms for accuracy and completeness.
m. Complete an earnings	m. Demonstrate the steps to complete an earnings	m. Evaluate completed

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statement.	statement.	forms for accuracy and completeness.
n. Complete a payroll register.	n. Demonstrate payroll procedures using a data projector and spreadsheet software. Have students develop a spreadsheet with formulas and then input payroll information for 10 employees.	n. Evaluate the payroll spreadsheet for accuracy and completeness.
o. Prepare Form W-4 to demonstrate the practices of citizenship for participation in a democratic society.	o. Demonstrate how to prepare Form W-4 and a 1040EZ income tax return. Have students complete the forms ( <a href="http://taxes.about.com/od/preparingyourtaxes/h/t/W4.htm">http://taxes.about.com/od/preparingyourtaxes/h/t/W4.htm</a> and <a href="http://www.irs.gov/">http://www.irs.gov/</a> ).	o. Evaluate completed forms for accuracy and completeness.
p. Prepare a 1040EZ income tax return.	p. Obtain copies of a 1040EZ form from the Internet or local post office. Have students complete the 1040EZ.	p. Evaluate completed forms for accuracy and completeness.

# References

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- For additional references, activities, and Web resources, please refer to Business P.A.C.E. Web site: <http://rcu.blackboard.com> (available only to registered users).