

Correlation to Introduction to Finance
Text: Managing Your Personal Finances, 6th Edition, Author: Joan S. Ryan

KNOWLEDGE		PAGE REFERENCES
Knowledge	Application	
UNIT 1: Money Management (20 Hours)		
1.1 Define terminology	1.1.1 Prepare a list of terms with definitions	See attached list of terms and definitions
1.2 Illustrate how to calculate net pay	1.2.1 Compute payroll deductions and net pay	Ch. 6, pages 115-121
1.3 Examine employee benefits	1.3.1 Identify optional and required employee benefits	Ch. 6, pages, 121-129
1.4 Describe types of taxes and components of the tax system	1.4.1 Analyze types of taxes	Ch. 7, pages 136-137
	1.4.2 Describe the components of the tax system	Ch. 7, pages 137-138
	1.4.3 Prepare tax forms	Ch. 7, pages 141-155
1.5 Explain personal budgets	1.5. Prepare personal budgets	Ch 8, pages 161-179
1.6 Summarize banking services	1.6.1 Identify parts of a check	Ch 9, page 188
	1.6.2 Write checks	Ch. 9, pages 189-192
	1.6.3 Differentiate between endorsements	Ch. 9, pages 194-195
	1.6.4 Reconcile bank statements	Ch. 9, pages 192-194
	1.6.5 Distinguish the different types of checking accounts	Ch. 9, pages 195-196
	16.6 Identify banking services	Ch. 9, pages 199-203

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UNIT 2: Credit Management (20 Hours)		
2.1 Define terminology	2.1.1 Prepare a list of terms with definitions	See attached list of terms and definitions
2.2 Demonstrate knowledge of basic consumer finance principles	2.2.1 Discuss the decision-making process	Ch. 20, pages 447-452
	2.2.2 Identify factors that influence spending	Ch. 20, pages 455-462
2.3 Demonstrate consumer protection awareness	2.3.1 Discuss common crimes against consumers	Ch. 28, pages 651-659
	2.3.2 Examine federal consumer protection laws	Ch. 29, pages 666-671
	2.3.3 Identify sources of consumer information and assistance	Ch. 29, pages 674-678
2.4 Examine credit	2.4.1 Analyze the advantages and disadvantages of using credit	Ch. 16, pages 359-360
	2.4.2 Describe the kinds of credit/loans	Ch. 16, pages 363-366
	2.4.3 Compare/contrast the sources of credit	Ch. 16, pages 366-369
	2.4.4 Discuss the importance of establishing good credit	Ch. 17, pages 376-391
	2.4.5 Describe the responsibilities of consumer credit	Ch. 18, pages 398-402
	2.4.6 Explain why credit costs vary	Ch. 18, pages 405-406
	2.4.7 Calculate simple interest and APR	Ch. 18, pages 406-410
	2.4.8 Compare methods of computing finance charges	Ch. 18, pages 411
2.5 Analyze consumer debt management	2.5.1 Discuss methods for solving credit problems	Ch. 19, pages 418-424
	2.5.2 Identify and evaluate types of bankruptcy	Ch. 19, pages 427-430

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	2.5.3 Examine advantages and disadvantages of declaring bankruptcy	Ch. 19, pages 431-432

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UNIT 3: Financial Security (20 Hours)		
3.1 Define terminology	3.1.1 Prepare a list of terms with definitions	See attached list of terms and definitions
3.2 Describe different purposes of saving	3.2.1 Compare/contrast short-term and long-term needs	Ch. 10, pages 219-221
	3.2.2 Explain the features and purposes of different savings options	Ch. 10, pages 228-232
	3.2.3 Compare/contrast the financial institutions where you can save	Ch. 10, pages 223-225
3.3 Describe the stages of investing and the relationship between risk and return	3.3.1 Compare/contrast investment strategies, options, and sources of information	Ch. 11, pages 240-246
3.4 Describe sources of financial information to make investment decisions	3.4.1 Explain basic investment options, rated by risk	Ch. 11, pages 249-255
3.5 Discuss stock investing classifications, and explain how to read the stock listings and stock indexes	3.5.1 Participate in the Stock Market Game	Ch. 12, pages 262-276
3.6 Discuss the features and types of corporate bonds	3.6.1 Collect examples of corporate bonds and present to the class	Ch. 13, pages 283-286
3.7 Describe federal and municipal government securities bonds	3.7.1 Investigate federal and municipal government securities bonds that affect where you live	Ch. 13, pages 287-288
3.8 Explain mutual funds and their advantages	3.8.1 Prepare a presentation on the different types of mutual funds	Ch. 14, pages 301-306
3.9 Describe other choices of investing	3.9.1 Prepare a presentation explaining one other investment choice	Ch. 14, pages 309-315
3.10 Describe individual and family retirement needs	3.10.1 Investigate estate planning and make a presentation for the class	Ch. 15, pages 322-330
3.11 Describe the features of	3.11.1 Analyze a variety of	Ch. 15, pages 332-336

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retirement investment options	individual retirement accounts (IRAs), and make a brochure	

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	3.11.2 Search the Internet for a retirement calculator, and calculate a variety of salaries	http://www.banksite.com/calc/retire
3.12 Explain the concept of insurance	3.12.1 Compare/contrast the different types of risks	Ch. 25, pages 567-572
3.13 Discuss the risk-management process	3.13.1 Explain how to create a risk-management plan	Ch. 25, pages 575-579
3.14 Explain the purpose of renter's and homeowner's insurance	3.14.1 Compare three insurance companies' renter's insurance, and present the information to the class	Ch. 26, pages 585-591
3.15 Discuss common types of auto insurance coverage	3.15.1 Find a car; compare three insurance companies' auto insurance for a 16-yearold, and present to the class	Ch. 26, pages 594-598

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Unit 1: Money Management

1. Adjusted gross income – the result of adjustments subtracted from gross income **(7-pg. 149)**
2. Assets – items of value that a person owns **(7-pg. 148)**
3. Benefits – company-provided supplements to salaries, such as sick pay, vacation time, and health insurance **(6-pg. 126)**
4. Budget – a spending and saving plan based on your expected income and expenses **(8-pg. 175)**
5. Canceled check – a check that bears the bank's stamp, indicating it has cleared **(9-pg. 198)**
6. Check – a written order to a bank to pay the stated amount to the person or business (payee) named on it **(9-pg. 198)**
7. Checkbook register – a booklet used to record checking account transactions **(9-pg. 205)**
8. Deductions – amounts subtracted from gross pay **(7-pg. 149)**
9. Disposable income – the money left to spend or save after taxes have been paid **(8-pg. 174)**
10. Endorsement – signatures on back of check required before cashing or depositing **(9-pg. 208)**
11. Exemption – an amount you may subtract from your income for each person who depends on your income to live **(7-pg. 148)**
12. Financial plan – a set of goals for spending, saving, and investing the money you earn **(8-pg. 174)**
13. Fixed expenses – costs you are obligated to pay at specific times, regardless of other events **(8-pg. 176)**
14. Gross income – all taxable income received, including wages, tips, salaries, interest, dividends, unemployment compensation, alimony, and so forth **(7-pg. 148)**
15. Gross pay – the total amount you earn before any deductions are subtracted **(6-pg. 119)**
16. Incentive pay – money offered to encourage employees to strive for higher levels of performance **(6-pg. 126)**
17. Liabilities – amounts of money owed to others **(8-pg. 178)**
18. Net pay – the amount left after all deductions have been taken out of your gross pay **(6-pg. 121)**
19. Overdraft – a check written for more money than your account contains **(9-pg. 199)**
20. Overtime – the time worked beyond the regular hours; usually more than 40 hours in a five-day period **(6-pg. 119)**
21. Reconciliation – the process of matching your checkbook register with the bank statement **(9-pg. 207)**

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- 22. Revenue – money collected by the government from residents and businesses in the form of taxes (**9-pg. 207**)
- 23. Standard deduction – a stated amount that you may subtract from adjusted gross income instead of itemizing your deductions (**7-pg. 150**)
- 24. Taxable income – the income on which you pay tax (**7-pg. 150**)
- 25. Tax brackets – income ranges to which tax rates apply (**7-pg. 144**)
- 26. Tax credit – an amount subtracted directly from the tax owed (**7-pg. 150**)
- 27. Tax evasion – willful failure to pay taxes (**7-pg. 144**)
- 28. Variable expense – costs that vary in amount and type, depending on events and the choices you make (**8-pg. 176**)

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Unit 2: Credit Management

1. Annual percentage rate (APR) – the cost of credit expressed as a yearly percentage **(16-pg. 394)**
2. Bankruptcy – a legal process that relieves debtors of the responsibility of paying their debts or protects them while they try to repay **(19-pg. 453)**
3. Capacity – the ability to repay a loan with present income **(17-pg. 409)**
4. Capital – property possessed that is worth more than debts owed **(16-pg. 388)**
5. Character – a responsible attitude toward living up to agreements **((17-pg. 409)**
6. Closed-ended credit – a loan for a specific amount that must be repaid in full, including all finance charges, by a stated due date **(16-pg. 396)**
7. Collateral – property pledged to a creditor to assure repayment of a loan **(16-pg. 388)**
8. Comparison shopping – a shopping method that enables consumers to determine whether they are getting the best quality for the price **(18-pg. 427)**
9. Consumer advocate – a person who actively promotes consumer causes **(29-pg. 713)**
10. Co-signer – a person who promises in writing to repay a promissory note if the maker fails to pay **(17-pg. 410)**
11. Credit – money borrowed to buy something now with an agreement to pay for it later **(16-pg. 387)**
12. Credit bureau – a company that gathers, stores, and sells credit information to business subscribers **(17-pg. 407)**
13. Credit history – the complete record of your borrowing and repayment performance **(17-pg. 407)**
15. Credit rating – a measure of credit-worthiness based on an analysis of a consumer's financial history **(17-pg. 413)**
16. Credit report – a written statement of a consumer's credit history issued by a credit bureau to its business subscribers **(17-pg. 408)**
17. Debtor – a person who owes money to others **(19-pg. 453)**
18. Discharged debts – debts erased by the court during bankruptcy proceedings **(19-pg. 454)**
19. Discrimination – treating people differently based on prejudice rather than individual merit **(17-pg. 417)**
20. Down payment – a part of the purchase price paid in cash up front, reducing the amount of a loan **(18-pg. 439)**

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21. Finance charge – the total dollar amount of all interest and fees you pay for the use of credit **(16-pg. 389)**
22. Finance companies – small loan companies that usually charge high interest rates **(16-pg. 398)**
23. Fixed-rate loans – loans for which the interest rate does not change (up or down) over the life of the loan **(18-pg. 434)**
24. Fraud – the intentional misrepresentation of information with the intent to deceive or mislead **(29-pg. 712)**
25. Garnishment – a legal process that allows part of your paycheck to be withheld for payment of a debt **(18-pg. 427)**
26. Interest rate – the percentage charged for the use of money **(18-pg. 436)**
27. Line of credit – a pre-established amount that can be borrowed on demand with no collateral **(16-pg. 389)**
28. Basic Needs – ingredients necessary for maintaining physical life **(20-pg. 483)**
29. Open-ended credit – an agreement to lend the borrower an amount up to a stated limit and to allow borrowing up to that limit again whenever the balance falls below the limit **(16-pg. 393)**
30. Opportunity cost – the value of your next best alternative whenever you make a choice **(20-pg. 481)**
31. Prime rate – the interest rate lenders offer to their best business customers **(18-pg. 434)**
32. Principal – the amount borrowed, or the unpaid portion of the amount borrowed, on which the borrower pays interest **(18-pg. 436)**
33. Service credit – an agreement to have a service performed now and pay for it later **(16-pg. 396)**
34. Simple interest – interest computed on the amount borrowed only without compounding **(18-pg. 435)**
35. Statement – an itemized bill showing charges, credit, and payments posted to your account during the billing period **(17-pg. 417)**
36. Time – the length of time the borrower will take to repay a loan; expressed as a fraction of a year **(18-pg. 436)**
37. 20/10 rule – your total borrowing should not exceed 20 percent of your yearly take-home pay, and you should not take on monthly payments that total more than 10 percent of your monthly take-home pay **(19-pg. 450)**
38. Unsecured debt – a loan that is not backed by pledged assets **(19-pg. 454)**

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- 39. Unused credit – the remaining credit available to you; calculated as your credit limit minus the amount you have already spent **(18-pg. 431)**

- 40. Values – the ideals in life that are important to you and affect your decision making **(20-pg. 483)**

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Unit 3: Financial Security

1. Adjustable-rate mortgage (ARM) – a mortgage for which the interest rate changes in response to the movement of interest rates in the economy as a whole **(22-pg. 537)**
2. Annuity – a contract sold by an insurance company that provides an investor with a series of regular payments, usually after retirement **(11-pg. 270)**
3. Bonds – debt obligations of corporations or state or local governments **(11-pg. 268)**
4. Capital gain – an increase in the value of stock above the price initially paid for it **(12-pg. 280)**
5. Collision coverage – automobile insurance that protects your own car against damage from accidents or vehicle overturning **(26-pg. 633)**
6. Deed – a document that transfers title of real property from one party to another **(22-pg. 537)**
7. Depreciation – in real estate, the decline in value of property due to normal wear and tear **(14-pg. 337)**
8. Disability insurance – an insurance plan that makes regular payments to replace income lost when illness or injury prevents the insured from working **(27-pg. 652)**
9. Dividends – the part of the corporation's profits paid to stockholders **(12-pg. 280)**
10. Equity – the difference between the market value of property and the amount owed on it **(22-pg. 529)**
11. Estate – all that a person owns, less debts owed, at the time of the person's death **(15-pg. 350)**
12. Estate planning – preparing a plan for transferring property during one's lifetime and at one's death **(15-pg. 350)**
13. Fixed-rate mortgage – a mortgage on which the interest rate does not change during the term of the loan **(22-pg. 536)**
14. Futures – contracts to buy and sell commodities or stocks for a specified price on a specified date in the future **(11-pg. 271)**
15. Homeowner's policy – insurance that protects property owners from property and liability risks **(26-pg. 624)**
16. Individual retirement account (IRA) – a retirement savings plan that allows individuals to set aside money in tax-deferred savings up to a limit set by the government **(15-pg. 357)**
17. Inflation – a rise in the general level of prices **(11-pg. 259)**
18. Insurance – a method of spreading individual risk among a large group of people to make losses more affordable for all **(25-pg. 605)**

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19. Insurer – a business that agrees to pay the cost of potential future losses in exchange for regular fee payments **(25-pg. 605)**
20. Interest – money paid for the use of money; earnings on a savings account **(10-pg. 239)**
21. Investing – the use of savings to earn a financial return **(11-pg. 257)**
22. Landlord – the owner of rental property **(21-pg. 513)**
23. Lease – a written agreement that allows a tenant to use property for a specified time period and rent **(21-pg. 516)**
24. Liability coverage – insurance to protect against claims for bodily injury to another person or damage to another person's property **(26-pg. 630)**
25. Lien – a financial claim on property **(22-pg. 537)**
26. Life insurance – insurance that provides funds to the beneficiaries when the insured dies **(27-pg. 654)**
27. Market value – the price for which a stock is bought and sold in the marketplace **(12-pg. 283)** or the highest price that the property will bring on the market **(22-pg. 528)**
28. Money market account – a combination savings-investment plan in which money deposited is used to purchase safe, liquid securities **(14-pg. 328)**
29. Mortgage – a loan to purchase real estate **(14-pg. 336)**
30. Mutual fund – a large, professionally managed group of investments **(11-pg. 271)**
31. Personal risk – chances of loss involving income and standard of living **(25-pg. 608)**
32. Policy – a written insurance contract **(25-pg. 605)**
33. Policyholder – the person who owns an insurance policy **(25-605)**
34. Power of attorney – a legal document authorizing someone to act on your behalf **(15-pg. 351)**
35. Principal – the amount of money deposited by a saver **(10-pg. 239)**
36. Property risk – the chances of loss or harm to personal or real property **(25-pg. 608)**
37. Real estate – land and any buildings on it **(14-pg. 333)**
38. Renter's policy – insurance that protects renters from property and liability risks **(26-pg. 624)**
39. Risk management – an organized strategy for controlling financial loss from pure risks **(25-pg. 610)**
40. Securities – stocks and bonds issued by corporations or the government **(10-pg. 242)**

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- 41. Security deposit – a refundable amount paid in advance to protect the owner against damage or nonpayment **(21-pg. 508)**
- 42. Stockbroker – an employee of a brokerage firm who buys and sells securities for investors **(10-pg. 242)**
- 43. Stockholders – shareholders; owners of a corporation **(12-pg. 280)**
- 44. Tenant – the person who rents property from a landlord **(21-pg. 513)**
- 45. Title – a legal document that establishes ownership **(22-pg. 537)**
- 46. Vehicle Identification Number (VIN) – a unique number that identifies an automobile **(23-pg. 549)**