

# **Financial Analysis Management Team Decision Making Event Performance Indicators**

## **Performance Indicators 2007-2008 DECA Competitive Events**

Performance Indicators for this competitive event are used to define the parameters of the written exam, role-plays, case studies and other activities that are part of the overall competition.

This list was compiled by MarkED and represents its 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 MarkED research and on extensive review of available online and print literature—both from industry and education. Over the next year, MarkED 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 MarkED web site at [www.Mark-ED.org](http://www.Mark-ED.org). Questions may be e-mailed to [betho@mark-ed.com](mailto:betho@mark-ed.com).

**Instructional Area**

**BUSINESS LAW**

**Performance Element**

**Acquire foundational knowledge of business laws and regulations to understand their nature and scope.**

**Performance Indicators**

Describe legal issues affecting businesses  
Describe the nature of legally binding contracts

**Performance Element**

**Adhere to commerce laws and regulations to establish and continue business operations.**

**Performance Indicators**

Explain types of business ownership  
Explain the nature of trade regulations  
Explain the nature of environmental regulations

**Performance Element**

**Understand human-resource laws and regulations to facilitate business operations.**

**Performance Indicators**

Explain the nature of personnel regulations  
Explain the nature of workplace regulations (including OSHA, ADA)

**Instructional Area**

**COMMUNICATION SKILLS**

**Performance Element**

**Read to acquire meaning from written material and to apply the information to a task.**

**Performance Indicators**

Analyze company resources to ascertain policies and procedures

**Performance Element**

**Apply verbal skills to obtain and convey information.**

**Performance Indicators**

Defend ideas objectively  
Handle telephone calls in a businesslike manner  
Participate in group discussions  
Make oral presentations

**Performance Element**

**Write effectively to convey information.**

**Performance Indicators**

Explain the nature of effective written communications  
Write business letters  
Write informational messages  
Write inquiries  
Write persuasive messages  
Prepare simple written reports  
Prepare complex written reports  
Write proposals

**Performance Element**

**Communicate with staff to clarify workplace objectives.**

**Performance Indicators**

Explain the nature of staff communication  
Participate in a staff meeting  
Provide directions for completing job tasks  
Conduct a staff meeting

**Instructional Area****ECONOMICS****Performance Element**

**Acquire an understanding of 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 economic scarcity and economic activities  
Determine economic utilities created by business activities  
Explain the principles of supply and demand  
Describe the concept of price

**Performance Element**

**Recognize the nature of business to understand its contributions to society.**

**Performance Indicators**

Explain the role of business in society  
Describe types of business activities

**Performance Element**

**Differentiate among economic systems to understand the environments in which businesses function.**

**Performance Indicators**

Explain the types of economic systems  
Determine the relationship between government and business  
Describe the nature of taxes  
Explain the concept of private enterprise  
Identify factors affecting a business's profit  
Determine factors affecting business risk  
Explain the concept of competition  
Describe businesses' market structures

**Performance Element**

**Analyze cost/profit relationships to guide business decision-making.**

**Performance Indicators**

Explain the concept of productivity  
Analyze the effects of government expenditures and tax policies on 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  
Describe the concept of economies of scale  
Describe the nature of cost/benefit analysis  
Determine relationships among total revenue, marginal revenue, output, and profit

**Performance Element**

**Identify economic indicators to measure economic trends and conditions.**

**Performance Indicators**

- Explain measures used to analyze economic conditions
- Describe the concept of price stability as an economic measure
- Discuss the measure of consumer spending as an economic indicator
- Discuss the impact of a nation's unemployment rates
- Describe the economic impact of inflation on business.
- Explain the economic impact of interest-rate fluctuations.
- Determine the impact of business cycles on business activities

**Performance Element**

**Determine international trade's impact on business decision-making.**

**Performance Indicators**

- Explain the nature of international trade
- Discuss the impact of cultural and social environments on world trade

**Performance Element**

**Additional specialized performance indicators**

**Performance Indicators**

- Analyze economic factors that impact a business's financial condition

**Instructional Area**

**EMOTIONAL INTELLIGENCE**

**Performance Element**

**Exhibit techniques to manage emotional reactions to people and situations.**

**Performance Indicators**

- Lead change
- Explain the nature of stress management

**Performance Element**

**Understand others' feelings, needs, and concerns to enhance interpersonal relations.**

**Performance Indicators**

- Explain the nature of positive customer/client relations
- Demonstrate a customer-service mindset
- Develop cultural sensitivity
- Explain the impact of political relationships within an organization
- Explain management's role in customer relations

**Performance Element**

**Manage internal and external business relationships to foster positive interactions.**

**Performance Indicators**

- Foster positive working relationships
- Explain the concept of leadership
- Participate as a team member
- Use consensus-building skills
- Persuade others
- Explain ethical considerations in providing information
- Reinforce service orientation through communication

**Performance Indicators**

Respond to customer inquiries  
 Use conflict-resolution skills  
 Handle difficult customers  
 Interpret business policies to customers/clients  
 Handle customer/client complaints  
 Encourage team building  
 Recognize/Reward others for their efforts and contributions  
 Coach others

**Performance Element****Additional specialized performance indicators****Performance Indicators**

Interview clients  
 Conduct client conferences

**Instructional Area****FINANCIAL ANALYSIS****Performance Element**

**Acquire an understanding of the fundamental principles of money needed to make financial exchanges.**

**Performance Indicators**

Explain the nature and scope of financing  
 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**

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

**Performance Element**

**Acquire foundational knowledge of financial-services providers to understand their role in financial-goal achievement.**

**Performance Indicators**

Describe types of financial-services providers  
 Discuss considerations in selecting a financial-services provider

<b>Performance Element</b>	<b>Understand the need for investing to ensure financial well being.</b>
<b>Performance Indicators</b>	<ul style="list-style-type: none"> <li>Explain types of investments</li> <li>Establish investment goals and objectives</li> </ul>
<b>Performance Element</b>	<b>Understand potential business threats and opportunities to protect a business's financial well being.</b>
<b>Performance Indicators</b>	<ul style="list-style-type: none"> <li>Describe the concept of insurance</li> </ul>
<b>Performance Element</b>	<b>Understand accounting's role and function in business to track money flow and to determine financial status.</b>
<b>Performance Indicators</b>	<ul style="list-style-type: none"> <li>Explain the concept of accounting</li> <li>Explain the need for accounting standards (GAAP)</li> <li>Prepare invoices</li> <li>Maintain petty cash records</li> <li>Maintain daily financial transactions</li> <li>Record and report sales tax</li> <li>Describe the nature of cash flow statements</li> <li>Prepare cash flow statements</li> <li>Explain the nature of balance sheets</li> <li>Describe the nature of profit-and-loss statements</li> </ul>
<b>Performance Element</b>	<b>Understand payroll requirements to facilitate the payroll process.</b>
<b>Performance Indicators</b>	<ul style="list-style-type: none"> <li>Explain issues associated with the payroll process</li> </ul>
<b>Performance Element</b>	<b>Manage financial resources to ensure solvency.</b>
<b>Performance Indicators</b>	<ul style="list-style-type: none"> <li>Forecast sales</li> <li>Calculate financial ratios</li> <li>Describe the nature of budgets</li> <li>Explain the nature of operating budgets</li> <li>Develop company's/department's budget</li> <li>Analyze cash-flow patterns</li> <li>Conduct break-even analysis</li> <li>Interpret financial statements</li> </ul>
<b>Performance Element</b>	<b>Additional specialized performance indicators</b>
<b>Performance Indicators</b>	<ul style="list-style-type: none"> <li>Compare and contrast profit maximization approaches with those of wealth maximization</li> <li>Calculate rates of return on financial investment products</li> <li>Optimize rate of return</li> <li>Explain techniques for improving profit margin</li> <li>Explain techniques for improving turnover</li> </ul>

**Performance Indicators**

Explain the nature of annuities  
Develop an investment plan  
Predict future returns on financial investment products  
Set financial goals  
Evaluate the success of a financial plan  
Determine a client's tax history  
Calculate a client's tax liability  
Complete client's tax forms  
Explain the nature of estimated tax payments  
Explain the nature of tax schedules  
Develop a client's account statement  
Determine a client's financial situation  
Assist clients with establishing financial goals  
Explain the nature of asset-management services  
Describe methods used to pay financial-services providers  
Adhere to a compliance plan  
Develop master budget  
Determine optimal capital budget  
Determine overall cost of capital  
Determine profit-margin requirements  
Implement budget  
Verify information in financial statements  
Assess risk-return tradeoffs  
Prepare cash-flow statement  
Analyze cash flow  
Evaluate future cash flow  
Troubleshoot proposed budgets  
Forecast future financing needs  
Determine financial strengths/weaknesses of a business  
Determine amount of funds a business needs  
Project future cash needs  
Compare and contrast trend analysis with industry comparisons  
Determine optimal mix and type of assets  
Select project mix  
Determine the impact of taxes on investment decisions  
Calculate depreciation  
Conduct breakeven analysis  
Measure leverage  
Evaluate alternative financing plans  
Decide how to raise funds for a business  
Manage cash (involves accelerating cash receipts & delaying cash payments)  
Plan uses of cash  
Determine when cash should be used  
Manage receivables  
Determine when to factor accounts receivable  
Determine carrying/ordering costs  
Explain the nature of short-term financing instruments  
Explain the nature of marketable securities  
Manage inventory  
Compute costs of inventory  
Appraise acquisitions  
Project future operations  
Select sources of capital  
Establish tax policies/procedures  
Plan tax payments  
Manage cash-flow cycle

**Performance Indicators**

Formulate credit policies  
 Conduct variance analyses  
 Allocate funds among projects/uses  
 Explain the nature of annual reports  
 Interpret quarterly reports  
 Evaluate revenue/expense sources  
 Issue stock  
 Reacquire issued stock  
 Issue dividends  
 Compare and contrast horizontal and vertical financial data analyses  
 Calculate bond values  
 Calculate value of common stock  
 Calculate the value of money  
 Predict the rate of return on stock  
 Calculate yield  
 Calculate rate of growth  
 Determine future value of annuities  
 Develop loan amortization schedule  
 Calculate annual percentage rate  
 Explain the nature of financial returns  
 Measure financial returns  
 Calculate risk statistics  
 Explain the nature of diversification  
 Calculate a security's beta value  
 Determine tax effects of accrual methods  
 Determine tax effects of inventory methods  
 Determine tax effects of depreciation options  
 Explain tax effects of business structure  
 Explain the nature of foreign exchange markets  
 Manage foreign exchange risk  
 Minimize liquidity and solvency problems  
 Identify indicators of potential business failure  
 Distinguish between warrants and convertibles  
 Explain the nature of dividend policies  
 Distinguish between debt and equity financing  
 Process cash  
 Receive negotiable instruments  
 Disburse money  
 Interpret basic charts/tables (e.g., interest charts, amortization tables)  
 Determine creditworthiness  
 Facilitate audit work

**Instructional Area****HUMAN RESOURCE MANAGEMENT****Performance Element**

**Employ skills needed to organize and facilitate work efforts.**

**Performance Indicators**

Describe ethics in personnel issues  
 Explain the nature of wage and benefit programs

**Performance Element**

**Utilize techniques to staff an organization or a department within an organization.**

**Performance Indicators**

- Determine hiring needs
- Screen job applications/resumes
- Interview job applicants
- Select and hire new employees
- Conduct exit interviews
- Dismiss/fire employees
- Maintain personnel records

**Performance Element**

**Lead staff growth and development to increase productivity and employee satisfaction.**

**Performance Indicators**

- Orient new employees
- Orient new employees (management's role)
- Explain the role of training and human resource development
- Explain the nature of management/supervisory training
- Coach employees
- Recognize/reward employees
- Handle employee complaints and grievances
- Ensure equitable opportunities for employees
- Assess employee performance
- Explain the nature of remedial action

**Instructional Area**

**INFORMATION MANAGEMENT**

**Performance Element**

**Maintain business records to facilitate business operations.**

**Performance Indicators**

- Describe the nature of business records
- Maintain customer records

**Performance Element**

**Utilize information-technology tools to manage and perform work responsibilities.**

**Performance Indicators**

- Demonstrate collaborative/groupware applications

**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

**Performance Element**

**Additional specialized performance indicators**

**Performance Indicators**

- Maintain office records (i.e., time and billing)
- Maintain client records
- Organize records of company activities

**Instructional Area**

**MARKETING**

**Performance Element**

**Acquire an understanding of 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

**Instructional Area**

**OPERATIONS**

**Performance Element**

**Evaluate safety issues needed to protect employees.**

**Performance Indicators**

Follow safety precautions  
Maintain a safe work environment  
Explain procedures for handling accidents  
Handle and report emergency situations

**Performance Element**

**Analyze security issues to protect employees and to minimize loss.**

**Performance Indicators**

Explain routine security precautions

**Performance Element**

**Analyze purchasing activities implemented to obtain business supplies and equipment.**

**Performance Indicators**

Explain the nature and scope of purchasing  
Place orders/reorders

**Performance Element**

**Acquire an understanding of 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**

**Utilize business systems to expedite workflow and enhance a business’s image.**

**Performance Indicators**

Describe crucial elements of a quality culture  
Describe the role of management in the achievement of quality  
Analyze business systems and procedures

**Performance Element**

**Implement organizational skills to improve efficiency and workflow.**

**Performance Indicators**

Use time-management principles  
Develop project plan  
Manage projects  
Schedule employees

**Performance Element**

**Implement expense-control strategies to enhance a business's financial well being.**

**Performance Indicators**

- Explain the nature of overhead/operating costs
- Explain employee's role in expense control
- Control use of supplies
- Negotiate service and maintenance contracts
- Negotiate lease or purchase of facility
- Develop expense-control plans
- Use budgets to control operations

**Performance Element**

**Perform activities to facilitate ongoing business operations.**

**Performance Indicators**

- Maintain inventory of supplies
- Identify resources needed for project
- Identify routine activities for maintaining business facilities and equipment

**Performance Element**

**Additional specialized performance indicators**

**Performance Indicators**

- Determine quantities to order
- Determine when to order
- Demonstrate routine security precautions
- Screen for counterfeit money
- Reduce risk of loss due to forgery and fraud

**Instructional Area**

**PROFESSIONAL DEVELOPMENT**

**Performance Element**

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

**Performance Indicators**

- Determine vision
- Set personal goals
- Make decisions
- Demonstrate negotiation skills
- Demonstrate appropriate creativity

**Performance Element**

**Participate in career-planning to enhance job-success potential.**

**Performance Indicators**

- Identify sources of career information
- Identify tentative occupational interest
- Explain employment opportunities in business

**Performance Element**

**Implement job-seeking skills to obtain employment.**

**Performance Indicators**

- Write a follow-up letter after job interviews
- Write a letter of application
- Prepare a resume

**Performance Element**

**Utilize career-advancement activities to enhance professional development.**

**Performance Indicators**

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)  
 Use networking techniques for professional growth

**Performance Element**

**Additional specialized performance indicators**

**Performance Indicators**

Explain the nature and scope of finance  
 Determine learning and certification requirements for financial services providers  
 Describe the roles and responsibilities of employees in finance  
 Discuss the relationship between accounting and finance  
 Explain the nature of financial institutions  
 Explain the goals of corporate finance

**Instructional Area**

**STRATEGIC MANAGEMENT**

**Performance Element**

**Recognize management’s role to understand its contribution to business success.**

**Performance Indicators**

Explain the concept of management  
 Explain the nature of managerial ethics  
 Explain the nature of organizational culture

**Performance Element**

**Control an organization’s/department’s activities to encourage growth and development.**

**Performance Indicators**

Describe the nature of managerial control (control process, types of control, what is controlled)  
 Analyze operating results in relation to budget/industry

**Performance Element**

**Utilize planning tools to guide organization’s/department’s activities.**

**Performance Indicators**

Explain the nature of business plans  
 Explain external planning considerations

**Instructional Area**

**SELLING**

**Performance Element**

**Additional specialized performance indicators**

**Performance Indicators**

Make financial recommendations to meet client’s needs  
 Recommend a financial plan to clients  
 Set up new account for client  
 Establish relationship with customer  
 Determine customer needs  
 Recommend specific product  
 Convert customer objections into selling points  
 Close the sale

**Performance Indicators**

Demonstrate suggestion selling  
Obtain financial product information from appropriate individuals  
Complete auxiliary transactions (e.g., travelers checks, stop payment orders, certified checks, cashiers checks, money orders, series EE government bonds, series HH government bonds, money wires, cash transfers, food stamps, treasury tax transactions, and safe deposit rental)