Texas CTE

Financial Analysis

Knowledge and skills. FINANAL

1 **The student analyzes accounting systems to examine their contribution to the fiscal stability of businesses. The student is expected to:** FINANAL.1

- A describe the nature and scope of accounting; and FINANAL.1A
- B examine accounting procedures for tracking money flow and determining financial status through the preparation of financial statements. FINANAL.1B

2 **The student explores the use of financial resources. The student is expected to describe tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources.** FINANAL.2

3 **The student demonstrates mathematics knowledge and skills required when interpreting business operation documents. The student is expected to apply data to solve a problem; construct charts, tables, and graphs; and analyze data.** FINANAL.3

4 **The student analyzes financial resources to ensure business solvency. The student is expected to:** FINANAL.4

- A describe the nature of budgets; FINANAL.4A
- B determine relationships among total revenue, marginal revenue, output, and profit; FINANAL.4B
- C calculate financial ratios; FINANAL.4C
- D interpret financial statements; FINANAL.4D
- E describe types of financial statement analyses such as ratio analysis and trend analysis; and FINANAL.4E
- F identify problems and issues with financial statements. FINANAL.4F

5 **The student calculates business ratios to evaluate company performance. The student is expected to:** FINANAL.5

- A discuss the use of financial ratios in business finance; FINANAL.5A
- B use multiple ratios to evaluate company performance, including income, profitability, operating performance, liquidity, working capital, bankruptcy prediction, long-term analysis, coverage, debt, cash flow indicator, and investment valuation; and FINANAL.5B
- C discuss the use of benchmarks in analyzing ratios. FINANAL.5C

Skip to main content

6 **The student analyzes a financial statement. The student is expected to:** FINANAL.6

A discuss the analysis of a company's financial situation using its financial statements; FINANAL.6A

B describe external forces affecting a company's value; FINANAL.6B

C explain how value is created for a company; FINANAL.6C

D understand and interpret financial statement notes; and FINANAL.6D

E evaluate results from the aspect of management, creditors, and investors. FINANAL.6E

7 The student examines the nature and scope of risk management in finance. The student is expected to: FINANAL.7

A discuss the nature of risk control such as internal and external controls; FINANAL.7A

B explain ways to assess risk; FINANAL.7B

C describe the importance of auditing risk control; FINANAL.7C

D discuss risk-control systems; FINANAL.7D

E describe the use of technology in risk management; FINANAL.7E

F discuss legal considerations affecting risk management; FINANAL.7F

G discuss the relationship between risk and business objectives; and FINANAL.7G

H evaluate a risk-management program. FINANAL.7H

8 The student develops an understanding and working knowledge of annual reports. The student is expected to: FINANAL.8

A discuss the objective of an annual report; FINANAL.8A

B identify the components of an annual report; FINANAL.8B

C identify laws and regulations that are applied to annual reports; and FINANAL.8C

D create an annual report. FINANAL.8D

9 The student explores the role of ethics in finance. The student is expected to: FINANAL.9

A explain the nature of business ethics; FINANAL.9A

B discuss the role of ethics in finance; and FINANAL.9B

C analyze the activities of Enron Corporation that led to the company's downfall. FINANAL.9C

10 The student employs critical-thinking skills independently and in teams to solve problems and make decisions. The student is expected to: FINANAL.10

A identify common tasks that require employees to use problem-solving skills; FINANAL.10A

B analyze elements of a financial problem to develop creative solutions; FINANAL.10B

Skip to main content

C create and evaluate ideas, proposals, and solutions to financial problems; FINANAL.10C

D analyze financial information to determine its value to the problem-solving task; and FINANAL.10D

E identify and evaluate alternative financial solutions using a variety of problem-solving and critical-thinking skills. FINANAL.10E

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11 The student performs a case study analysis of a specific company to apply the concepts learned in the course and present the findings. The student is expected to: FINANAL.11

A summarize the company's background; FINANAL.11A

B analyze the company's history, development, and growth; FINANAL.11B

C identify the company's strengths and weaknesses, internally; FINANAL.11C

D describe the external environment; FINANAL.11D

E evaluate the strengths, weaknesses, opportunities, and threats (SWOT) analysis; FINANAL.11E

F examine the corporate and business level strategy; FINANAL.11F

G investigate the structure and control systems; and FINANAL.11G

H formulate recommendations. FINANAL.11H