

Securities and Investments

Knowledge and skills. **SECINV**

1 The student describes laws and regulations in order to manage personal and business operations and transactions in the securities and investments industry. The student is expected to: **SECINV.1**

- A** explain regulation of the securities and investments industry, including the role of the Securities and Exchange Commission; **SECINV.1A**
- B** understand the legal and ethical considerations in buying and selling securities; and **SECINV.1B**
- C** understand the state regulation of the securities and investments industry. **SECINV.1C**

2 The student describes investment analysis and selection processes. The student is expected to: **SECINV.2**

- A** describe types of investment objectives; **SECINV.2A**
- B** consider the nature of investment risk; **SECINV.2B**
- C** analyze diversification strategies; **SECINV.2C**
- D** understand factors to consider when selecting investments; **SECINV.2D**
- E** analyze information that can be obtained from financial statements and annual reports; **SECINV.2E**
- F** examine a mutual fund prospectus; **SECINV.2F**
- G** interpret analysis used in making investment decisions; **SECINV.2G**
- H** discuss strategies for selecting investments; **SECINV.2H**
- I** identify performance measurements for venture capital; and **SECINV.2I**
- J** describe investment analysis and selection theory such as the Modern Portfolio Theory, the Capital Asset Pricing Model, and the Arbitrage Pricing Theory. **SECINV.2J**

3 The student identifies investments. The student is expected to: **SECINV.3**

- A** interpret financial ratios significant to investors, including price earnings ratio; **SECINV.3A**
- B** calculate stock-related values such as the value of a constant growth stock, the expected value of future dividends, and the expected rate of return; **SECINV.3B**
- C** calculate bond-related values such as the price of a bond given its yield to maturity, the coupon interest payment for a bond, and the effects of interest rates on the price of a bond; **SECINV.3C**

- D calculate bond present value and future value; and [SECINV.3D](#)
 - E select investments based on financial analysis such as financial ratios. [SECINV.3E](#)
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4 The student understands security and investment operations. The student is expected to: [SECINV.4](#)

- A examine security and investment operational activities; [SECINV.4A](#)
 - B discuss the operations of a securities and investment office; [SECINV.4B](#)
 - C examine the buy and sell functions of a brokerage firm; and [SECINV.4C](#)
 - D discuss and calculate commissions. [SECINV.4D](#)
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5 The student explores security and investment licensing and certification programs. The student is expected to: [SECINV.5](#)

- A explore educational requirements; [SECINV.5A](#)
 - B compare and contrast the Series 6 and Series 7 licensing exams required to sell securities and other financial products; and [SECINV.5B](#)
 - C explain professional designations in the securities and investments industry such as Certified Fund Specialist, Chartered Financial Analyst, Board Certified in Asset Allocation, Board Certified in Securities, Certified Senior Consultant, and Certified Financial Planner. [SECINV.5C](#)
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6 The student understands investments and their relationships to the economy. The student is expected to: [SECINV.6](#)

- A evaluate the environments in which security and investment services are offered, including securities sales agents, securities and investments firms, and securities markets; [SECINV.6A](#)
 - B evaluate causes of stock price fluctuations; [SECINV.6B](#)
 - C evaluate the relationship between bond prices and yields; [SECINV.6C](#)
 - D evaluate the role of investment banking in the primary marketplace; and [SECINV.6D](#)
 - E evaluate margin accounts, short sales, market timing, and international strategies. [SECINV.6E](#)
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7 The student demonstrates an understanding of securities and investments products. The student is expected to evaluate securities and investments products such as stocks, dividends, stock splits, options strategies, hedge funds, futures, bonds, mutual funds, venture capital, real estate, retirement investment plans, and education savings and the advantages and disadvantages from an issuer and investor perspective. [SECINV.7](#)

8 The student demonstrates an understanding of a postsecondary plan. The student is expected to: [SECINV.8](#)

- A understand educational, military, and current job opportunities; and [SECINV.8A](#)

- B create a postsecondary plan that includes topics such as application requirements; testing requirements; certification requirements; associated deadlines; associated costs, including living expenses; job prospects and opportunities; beginning earnings; expected future earnings; and resumes and cover letters. [SECINV.8B](#)