

To the Student:

After your registration is complete, you may take the online Credit by Examination for MONEYM 1A.

ABOUT THE EXAM

The examination for the first semester of Money Matters consists of 50 short-answer essay and multiple-choice questions. The exam is based on the Texas Essential Knowledge and Skills (TEKS) for this subject. The full list of TEKS is included in this document (it is also available online at the [Texas Education Agency website](#)). The TEKS outline specific topics covered in the exam, as well as more general areas of knowledge and levels of critical thinking. Use the TEKS to focus your study in preparation for the exam.

The examination will take place under supervision, and the recommended time limit is three hours. You may not use any notes or books. A percentage score from the examination will be reported to the official at your school.

A list of key concepts is included in this document to focus your studies. It is important to prepare adequately. Since questions are not taken from any one source, you can prepare by reviewing any of the state-adopted textbooks that are used at your school.

Good luck on your examination!

MONEYM 1A Key Concepts

The examination for Money Matters 1A includes the following areas and topics (this is not a comprehensive list, so be sure to review all of the first-semester curriculum and TEKS):

Part One: Fundamental Principles of Money

- definition of money
- characteristics of money
- goods and services
- income sources
- buying with credit
- credit scores and credit history

Part Two: Economic Systems

- types of economies (including traditional, market, command, and mixed)
- developing economies
- business ownership
- types of business organizations (including entrepreneurship, sole proprietorship, partnership, and corporation)
- taxation
- the Federal Reserve and Monetary Policy

Part Three: Personal Financial Management

- financial planning and goals
- personal finance plans
- payroll taxes and federal income tax withholding
- Social Security tax
- tax preparation
- identity theft

Texas Essential Knowledge and Skills MONEYM – Money Matters

§130.162. Money Matters (One-Half to One Credit).

(a) General requirements. This course is recommended for students in Grades 10-12. Recommended prerequisite: Principles of Business, Marketing, and Finance.

(b) Introduction. Through the study of digital and interactive media and its application in information technology, students will analyze and assess current and emerging technologies, while designing and creating multimedia projects that address customer needs and resolve a problem. Students implement personal and interpersonal skills to prepare for a rapidly evolving workplace environment. The knowledge and skills acquired and practiced will enable students to successfully perform and interact in a technology-driven society. Students enhance reading, writing, computing, communication, and critical thinking and apply them to the information technology environment.

(c) Knowledge and skills.

(b) Introduction. Students will investigate global economics with emphasis on the free enterprise system and its impact on consumers and businesses. Students apply critical-thinking skills to analyze financial options based on current and projected economic factors. Students will gain knowledge and skills necessary to set long-term financial goals based on those options. Students will determine methods of achieving long-term financial goals through investment, tax planning, asset allocation, risk management, retirement planning, and estate planning.

(c) Knowledge and skills.

(1) The student uses career planning concepts, tools, and strategies to explore, obtain, and develop a career in the area of financial planning. The student is expected to:

(A) discuss the nature and benefits of financial planning;

(B) discuss the role of ethics and personal responsibility in financial planning; and

(C) compare and contrast roles, responsibilities, licensing and certification programs for careers related to managing and analyzing personal and corporate financial portfolios, including financial planner, financial manager, financial analyst, controller, risk manager, cash manager, treasurer, and chief financial officer.

(2) The student demonstrates an understanding of the fundamental principles of money. The student is expected to:

(A) explain forms of financial exchange, including cash, credit, debit, and electronic funds transfer;

(B) compare and contrast various types of currency, including paper money, coins, banknotes, government bonds, and treasury notes;

(C) identify functions of money, including medium of exchange, unit of measure, and store of value;

(D) describe sources of income, including wages and salaries, interest, rent, dividends, capital gains, and transfer payments;

(E) explain the time value of money;

(F) discuss the purposes and importance of credit; and

(G) explain legal responsibilities associated with financial exchanges.

(3) The student describes economic systems. The student is expected to:

(A) compare the types of economic systems and market structures;

(B) explain the concept of private enterprise, including sole proprietorships, partnerships, and corporations;

(C) identify and analyze the impact of economic concepts in historical documents, including the United States Constitution;

(D) identify factors affecting profit, revenue, and expenses;

(E) determine factors affecting business risk;

(F) explain the concept of competition;

(G) describe market structures; and

(H) understand the rights and responsibilities of consumers within various economic systems.

(4) The student explains the impact of government on business activities within a free enterprise system. The student is expected to:

(A) determine the relationship between government and business;

(B) describe the nature of taxes;

(C) discuss the nature of monetary policy;

(D) discuss the supply and demand for money;

- (E) explain the role of the Federal Reserve System;
 - (F) explain the concept of fiscal policies; and
 - (G) describe the effects of fiscal and monetary policies.
- (5) The student discusses economic concepts impacting finance. The student is expected to:
- (A) distinguish between economic goods and services;
 - (B) analyze the impact of technological innovations on the marketing and distribution of goods and services;
 - (C) explain the concept of economic resources;
 - (D) describe the concepts of economics and economic activities;
 - (E) determine economic utilities created by business activities;
 - (F) explain the relationship between supply and demand; and
 - (G) describe the functions of prices in markets.
- (6) The student describes economic indicators impacting financial decision making. The student is expected to:
- (A) describe the concept of price stability as an economic measure;
 - (B) discuss the measure of consumer spending as an economic indicator;
 - (C) discuss the impact of a nation's unemployment rates;
 - (D) explain the concept of Gross Domestic Product;
 - (E) describe the economic impact of inflation on business;
 - (F) explain unemployment and inflation tradeoffs;
 - (G) explain the economic impact of interest rate fluctuations; and
 - (H) determine the impact of business cycles on business activities.
- (7) The student determines the impact of global/international trade on business decision making. The student is expected to:
- (A) explain the nature of global trade;
 - (B) describe the determinants of exchange rates and their effects on the domestic economy;
 - (C) discuss the impact of cultural and social environments on global trade; and
 - (D) explain labor issues associated with global trade.
- (8) The student employs sociological knowledge to facilitate finance activities. The student is expected to:
- (A) analyze and interpret complex societal issues, events, and problems;
 - (B) analyze and evaluate the validity of information and statistics from primary and secondary sources for bias, propaganda, point of view, and frame of reference;
 - (C) reach reasoned conclusions;
 - (D) examine social beliefs, ethics, influences, and behavior;
 - (E) analyze group dynamics; and
 - (F) assess human behavior, including the impact of technological innovations or communication.
- (9) The student applies psychological knowledge to facilitate finance activities. The student is expected to:
- (A) recognize factors influencing perception;
 - (B) identify sources of attitude formation;
 - (C) assess methods used to evaluate attitudes;
 - (D) identify social and cultural strata;
 - (E) determine behavioral effects of social and cultural strata;
 - (F) analyze effects of others on individual behavior;
 - (G) predict likelihood of conformity and obedience;
 - (H) determine significance of aggression;
 - (I) recognize factors affecting personality;

- (J) evaluate the nature of change over a lifetime;
 - (K) identify sources of stress;
 - (L) detail reactions to stress;
 - (M) employ strategies for dealing with stress;
 - (N) investigate factors affecting motivation;
 - (O) analyze cues to basic drives and motives; and
 - (P) analyze the development of motives.
- (10) The student analyzes personal financial needs and goals based on current and projected economic factors. The student is expected to:
- (A) explain the nature of financial needs, including college, retirement, wills, and insurance;
 - (B) set personal financial goals; and
 - (C) justify how those personal financial goals are realistic within the current and projected economy.
- (11) The student manages personal finances to achieve financial goals. The student is expected to:
- (A) develop a budget based on personal financial goals;
 - (B) explain the benefits of saving and investing;
 - (C) explain the nature of tax liabilities;
 - (D) interpret a pay stub;
 - (E) read and reconcile bank statements;
 - (F) maintain financial records;
 - (G) demonstrate the wise use of credit;
 - (H) validate a credit history;
 - (I) protect against identity theft; and
 - (J) prepare personal income tax forms, including the 1040E.
- (12) The student describes the use of financial service providers. The student is expected to:
- (A) describe types of financial service providers; and
 - (B) discuss considerations in selecting a financial service provider.
- (13) The student compares and contrasts investment strategies. The student is expected to:
- (A) explain types of investments and illustrate an example of the responsible purchase, use, or disposal of personal and business property;
 - (B) explain the nature of capital investment; and
 - (C) establish investment goals and objectives.
- (14) The student identifies potential business threats and opportunities to protect a business's financial well-being. The student is expected to:
- (A) describe the concept of insurance;
 - (B) simulate obtaining insurance coverage;
 - (C) simulate settling insurance losses;
 - (D) identify speculative business risks; and
 - (E) explain the nature of risk management.
- (15) The student simulates the obtaining of business credit and controlling its use. The student is expected to:
- (A) explain the purposes and importance of obtaining business credit;
 - (B) analyze critical banking relationships;
 - (C) make critical decisions regarding acceptance of bank cards;
 - (D) determine financing needed for business operations;
 - (E) identify risks associated with obtaining business credit;
 - (F) explain sources of financial assistance;
 - (G) explain loan evaluation criteria used by lending institutions; and

- (H) simulate completing a loan application package.
- (16) The student demonstrates an understanding of methods to manage financial resources to ensure solvency. The student is expected to:
- (A) describe the nature of budgets;
 - (B) explain the nature of operating budgets;
 - (C) describe the nature of cost-benefit analysis;
 - (D) determine relationships among total revenue, marginal revenue, output, and profit;
 - (E) simulate developing a company department budget;
 - (F) forecast sales;
 - (G) calculate financial ratios;
 - (H) interpret financial statements;
 - (I) describe types of financial statement analysis, including ratio analysis and trend analysis; and
 - (J) identify problems within financial statements.
- (17) The student understands the importance of financial markets in business. The student is expected to:
- (A) describe the role of financial institutions; and
 - (B) explain types of financial markets, including money markets, securities markets, property market, and market for risk transfer.
- (18) The student develops an understanding of the nature of asset values. The student is expected to:
- (A) describe factors that affect the value of an asset, including cash flow, growth rate, timing, inflation interest rate, opportunity cost, risk, and required return; and
 - (B) read and interpret the value of an asset.
- (19) The student uses sources of securities information to make informed financial decisions. The student is expected to:
- (A) describe sources of securities information, charts, and graphs; and
 - (B) read and interpret securities tables.
- (20) The student simulates using debt and equity capital to raise funds for business growth. The student is expected to:
- (A) describe the financial needs of a business at different stages of development;
 - (B) discuss factors to consider in choosing between debt and equity capital; and
 - (C) explain the significance of capital structure.

Source: The provisions of this §130.162 adopted to be effective August 23, 2010, 34 TexReg 5925.