

**K to 12 BASIC EDUCATION CURRICULUM
SENIOR HIGH SCHOOL – ACADEMIC TRACK**

Grade: 12
Core Subject Title: Business Finance

Semester: 2nd
No. of Hours/ Semester: 80 hours/ semester
Prerequisite: Fundamentals of ABM1
Co-requisite: Fundamentals of ABM2

Subject Description: This course deals with the fundamental principles, tools, and techniques of the financial operation involved in the management of business enterprises. It covers the basic framework and tools for financial analysis and financial planning and control, and introduces basic concepts and principles needed in making investment and financing decisions. Introduction to investments and personal finance are also covered in the course. Using the dual-learning approach of theory and application, each chapter and module engages the learners to explore all stages of the learning process from knowledge, analysis, evaluation, and application to preparation and development of financial plans and programs suited for a small business.

CONTENT	CONTENT STANDARD	PERFORMANCE STANDARD	LEARNING COMPETENCIES	CODE
1. Introduction to Financial Management	<i>The learners demonstrate an understanding of...</i> the definition of finance, the activities of the financial manager, and financial institutions and markets	<i>The learners are able to...</i> 1. define Finance 2. describe who are responsible for financial management within an organization 3. describe the primary activities of the financial manager 4. describe how the financial manager helps in achieving the goal of the organization 5. describe the role of financial institutions and markets	<i>The learners...</i> 1. explain the major role of financial management and the different individuals involved	ABM_BF12-IIIa-1
			2. distinguish a financial institution from financial instrument and financial market	ABM_BF12-IIIa-2
			3. enumerate the varied financial institutions and their corresponding services	ABM_BF12-IIIa-3
			4. compare and contrast the varied financial instruments	ABM_BF12-IIIa-4
			5. explain the flow of funds within an organization – through and from the enterprise—and the role of the financial manager	ABM_BF12-IIIa-5

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CONTENT	CONTENT STANDARD	PERFORMANCE STANDARD	LEARNING COMPETENCIES	CODE
2. Review of Financial Statement Preparation, Analysis, and Interpretation	the process of preparing financial statements as well as the methods or tools of analysis of financial statements, including horizontal analysis, vertical analysis, and financial ratios to test the level of liquidity, solvency, profitability, and stability of the business	solve exercises and problems that require financial statement preparation, analysis, and interpretation using horizontal and vertical analyses and various financial ratios	1. prepare financial statements	ABM_BF12-IIIb-6
			2. define the measurement levels, namely, liquidity, solvency, stability, and profitability	ABM_BF12-IIIb-7
			3. perform vertical and horizontal analyses of financial statements of a single proprietorship	ABM_BF12-IIIb-8
			4. compute, analyze, and interpret financial ratios such as current ratio, working capital, gross profit ratio, net profit ratio, receivable turnover, inventory turnover, debt-to-equity ratio, and the like	ABM_BF12-IIIb-9

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CONTENT	CONTENT STANDARD	PERFORMANCE STANDARD	LEARNING COMPETENCIES	CODE
3. Financial Planning Tools and Concepts	the financial planning process, including budget preparation, cash management, and working capital management	<ol style="list-style-type: none"> 1. illustrate the financial planning process 2. prepare budgets such as projected collection, sales budget, production budget, income projected statement of comprehensive income, projected of financial position, and projected cash flow statement 3. describe concepts and tools in working capital management 	1. identify the steps in the financial planning process	ABM_BF12-IIIc-d-10
			2. illustrate the formula and format for the preparation of budgets and projected financial statement	ABM_BF12-IIIc-d-11
			3. explain tools in managing cash, receivables, and inventory	ABM_BF12-IIIc-d-12
4. Sources and uses of short-term and long-term funds	the sources and uses of short-term and long-term funds , and the requirements , procedure , obligation to creditor, and reportorial necessities	<ol style="list-style-type: none"> 1. distinguish debt and equity financing 2. identify the bank and nonbank institutions in the vicinity that are possible sources of funds, and enumerate their requirements and process for loan application 	1. cite bank and nonbank institutions in the locality that would serve as possible sources of funds for business operations	ABM_BF12-IIIf-f-13
			2. compare and contrast the loan requirements of the different bank and nonbank institutions	ABM_BF12-IIIf-f-14
			3. draw a flow chart on the steps in loan application	ABM_BF12-IIIf-f-15
			4. list down obligations of entrepreneurs to creditors	ABM_BF12-IIIf-f-16
			5. identify uses of funds	ABM_BF12-IIIf-f-17

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CONTENT	CONTENT STANDARD	PERFORMANCE STANDARD	LEARNING COMPETENCIES	CODE
5. Basic Long-term Financial Concepts	basic concepts of risk and return, and the time value of money	1. distinguish simple and compound interest	1. calculate future value and present value of money	ABM_BF12-IIIg-h-18
		2. solve exercises and problems in computing for time value of money with the aid of present and future value tables	2. compute for the effective annual interest rate	ABM_BF12-IIIg-h-19
		3. prepare loan amortization tables	3. compute loan amortization using mathematical concepts and the present value tables	ABM_BF12-IIIg-h-20
		4. compute for the net present value of a project with a conventional cash-flow pattern	4. apply mathematical concepts and tools in computing for finance and investment problems	ABM_BF12-IIIg-h-21
		5. describe the risk-return trade-off	5. explain the risk-return trade-off	ABM_BF12-IIIg-h-22

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CONTENT	CONTENT STANDARD	PERFORMANCE STANDARD	LEARNING COMPETENCIES	CODE
6. Introduction to investment	the definition, purpose, kinds, advantages, and disadvantages and the risks of investment	<ol style="list-style-type: none"> 1. identify the types of investments particularly bank deposits , insurance, real estate , hard assets, mutual funds, and stocks and bonds 2. indicate the advantages and disadvantages of each type of investment 3. explain the risks inherent in each type of investment 	1. compare and contrast the different types of investments	ABM_BF12-IVm-n-23
			2. classify investment according to its type and features, and advantages and disadvantages	ABM_BF12-IVm-n-24
			3. measure and list ways to minimize or reduce investment risks in simple case problems	ABM_BF12-IVm-n-25
7. Managing Personal Finance	the philosophy and practices in personal finance	<ol style="list-style-type: none"> 1. identify money management philosophy 2. apply basic personal finance principles and practices in earning, spending, saving, and investing money 	1. enumerate money management philosophies	ABM_BF12-IVo-p-26
			2. illustrate the money management cycle and gives examples of sound practices in earning, spending, saving, and investing money	ABM_BF12-IVo-p-27

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CODE BOOK LEGEND

SAMPLE CODE: ABM_BF12-IIIa-1

LEGEND		SAMPLE	
First Entry	Track/ Strand	Accountancy, Business and Management Strand	ABM_BF12
	underscore_		
	Track/ Strand Subject	Business Finance	
	Grade Level	12	
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Roman Numeral *Zero if no specific quarter	Quarter	Quarter	III
Lowercase Letter *Put a hyphen (-) in between letters to indicate more than a specific week	Week	Week	a
-			
Arabic Number	Competency	explain the major role of financial management and the different individuals involved	1

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References:

- Bernstein, Leopold. *Financial Statement Analysis, 4th Ed.* Illinois: Irwin, 2014.
- Brealey, Richard A., Myers, Stewart.C. and Marcus, Alan .J. *Fundamentals of Corporate Finance, 3rd Edition.* New York: Mc-Graw Hill Co., 2014.
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- Cabrera, Elenita B. *Management Advisory Services.* Manila: Conanan, 2015.
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- Cecchetti, Stephen G. *Money, Banking and Financial Markets, 2nd Edition.* 2010
- Cruise, Tom. *The Firm.* DVD. Directed by Sydney Pollack. USA: Paramount, 1993.
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- Ilano, Alberto R. *Investment Management and The Philippine Stock Market.* Manila: FINEX, 2014
- Melicher, Ronald W. and Norton,Edgar A. *Introduction to Finance, Markets, Investments and Financial Management, 14th Edition.* Canada: McGraw-Hill Ryerson Higher Education, 2014.
- Padilla, Nicanor B. Jr. *How to Analyze Financial Statements.* Manila: Conanan, 2007.
- Pringle, John J. and Harris, Robert Samuel. *Essentials of Managerial Finance, 2nd E.* Canada: Dryden, 2014.
- Saldana, Cesar G. *Principles of Managerial Finance: Philippine Setting.* Quezon City: AFA Publications, 2000.
- Weston, Fred and Copland, Thomas E. *Managerial Finance, 9th Ed.,* Canada: Dryden, 2012.
- White, Gerald I., Sondhi, Ashwinpaul C., and Fried, Dov. *The Analysis and Use of Financial Statements,* New Jersey: Wiley, 2012.

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