



GEORGIA

PEACH STATE PATHWAYS

Career, Technical, & Agricultural Education

MARKETING, SALES, AND SERVICE

PATHWAY: Marketing and Management

COURSE: Advanced Marketing

UNIT 3: The Business of Credit



INTRODUCTION

Annotation:

In this unit, students will understand the concepts of credit, components of a credit score, and the importance of having good credit. They will learn techniques for building a strong credit history and why new businesses need financing. They will also research online sources for information about credit.

Grade(s):

X	9 th
X	10 th
X	11 th
X	12 th

Time:

5 – 50 minute class meetings

Author:

Revised by Meghan Hatcher

Additional Author(s):

Students with Disabilities:

For students with disabilities, the instructor should refer to the student's IEP to be sure that the accommodations specified are being provided. Instructors should also familiarize themselves with the provisions of Behavior Intervention Plans that may be part of a student's IEP. Frequent consultation with a student's special education instructor will be beneficial in providing appropriate differentiation.



FOCUS STANDARDS

GPS Focus Standards: Please list the standard and elements covered.

MKT-AM-3 Evaluate financial systems to enhance their impact on business and marketing operations and decisions.

- a. Analyze legal considerations in granting credit.
- b. Critique rationales for finance and credit policies.
- c. Compare credit options available to businesses.
- d. Analyze profit standards for industries.

GPS Academic Standards:

ELA12W1 The student produces writing that establishes an appropriate organized structure, sets a context and engages the reader, maintains a coherent focus throughout, and signals a satisfying closure.

SSEMI2 The student will explain how the Law of Demand, the Law of Supply, prices and profits work to determine production and distribution in a market economy.

SSEPF4 The student will evaluate the costs and benefits of using credit.

National / Local Standards / Industry / ISTE:



UNDERSTANDINGS & GOALS

Enduring Understandings: Enduring understandings are statements summarizing important ideas and have lasting value beyond the classroom. They synthesize what students should understand – not just know.

- Students will develop an understanding of financial systems. They will also gain knowledge of which credit options will suit different businesses. Students will understand the impact on business and marketing operations.

Essential Questions: Essential questions probe for deeper meaning and understanding while fostering the development of critical thinking and problem-solving skills. Example: Why is life-long learning important in the modern workplace?

- Why is it important to understand the advantages and disadvantages of consumer credit?
- How do different sources of consumer credit compare?
- How does a credit record serve a business?

Knowledge from this Unit: Factual information.

- Students will analyze the benefits and costs of consumer credit.
- Students will compare sources of consumer credit.

Skills from this Unit: Performance.

- Students will be able to explain factors that affect credit worthiness and the purpose of credit records.



ASSESSMENT(S)

Assessment Method Type: Select one or more of the following. Please consider the type(s) of differentiated instruction you will be using in the classroom.

- ☐ Pre-test
- ☐ Objective assessment - multiple-choice, true- false, etc.
 - ☐ Quizzes/Tests
 - ☐ Unit test
- ☐ Group project
- ☐ Individual project
- ☐ Self-assessment - May include practice quizzes, games, simulations, checklists, etc.
 - ☐ Self-check rubrics
 - ☐ Self-check during writing/planning process
 - ☐ Journal reflections on concepts, personal experiences and impact on one's life
 - ☐ Reflect on evaluations of work from teachers, business partners, and competition judges
 - ☐ Academic prompts
 - ☐ Practice quizzes/tests
- ☒ Subjective assessment/Informal observations
 - ☐ Essay tests
 - ☐ Observe students working with partners
 - ☐ Observe students role playing
- ☒ Peer-assessment
 - ☐ Peer editing & commentary of products/projects/presentations using rubrics
 - ☐ Peer editing and/or critiquing
- ☐ Dialogue and Discussion
 - ☐ Student/teacher conferences
 - ☐ Partner and small group discussions
 - ☐ Whole group discussions
 - ☐ Interaction with/feedback from community members/speakers and business partners
- ☐ Constructed Responses
 - ☐ Chart good reading/writing/listening/speaking habits
 - ☐ Application of skills to real-life situations/scenarios
- ☐ Post-test

Assessment(s) Title:

Assessment(s) Description/Directions:

Attachments for Assessment(s): Please list.

http://www.thirteen.org/edonline/lessons/fe_credit/index.html



LEARNING EXPERIENCES

Instructional planning: Include lessons, activities and other learning experiences in this section with a brief description of the activities to ensure student acquisition of the knowledge and skills addressed in the standards. Complete the sequence of instruction for each lesson/task in the unit.

Sequence of Instruction

1. Identify the Standards. Standards should be posted in the classroom for each lesson.

MKT-AM-3 Evaluate financial systems to enhance their impact on business and marketing operations and decisions.

- a. Analyze legal considerations in granting credit.
- b. Critique rationales for finance and credit policies.
- c. Compare credit options available to businesses.
- d. Analyze profit standards for industries.

2. Review Essential Questions.

- Why is it important to understand the advantages and disadvantages of consumer credit?
- How do different sources of consumer credit compare?
- How does a credit record serve a business?

3. Identify and review the unit vocabulary.

Day 1: Introduction of Lesson

1. Begin the class with a discussion of entrepreneurship and starting a new business. Ask students if they know anybody who has started a business, or if they have any interest in owning their own business some day.
2. Ask students if they have an idea of how to pay for the start-up costs of a new business. Explain that one option is to borrow money from a bank or other financial institution.
3. Begin by asking them to think about how a new business owner might attain the money needed to get their business off the ground. Play the "Green Chic" segment for the class.

View the video here, segment 2.

<http://www.thirteen.org/finance/about/video1.html>

4. After the segment ends, discuss with the class the reason Anna needed a loan for her company (Answer: To produce her spring line of clothing).
5. Next, discuss the loan approval meeting, and the part where the lenders discuss how Anna has a good credit rating, and how that will help her get a loan.
6. Ask students if they know what a good credit rating is, and then explain that it's a rating that tells banks and other lenders how likely it is that an individual will repay a loan, like a car loan or a home loan.
7. Explain to students that you are going to do an activity where they pretend to be business owners who need to borrow money to get their new businesses off the ground.

8. Next, ask students to divide into groups of five, and start brainstorming ideas for new businesses.

Day 2: Determine Business and Credit Rating

1. First, ask students to finalize their ideas for a new business, and their plan for borrowing money.
2. Pass out to each group one "Credit Rating Card" Student Organizer (there are seven for this lesson plan). This card gives them a personal credit rating score that they as the business owners have, and that will impact their ability to attain a loan for their new business.
3. Next, explain to students that they will be researching what makes a person or a company a good candidate to receive credit by looking at a couple of different Web sites.
4. First, ask students to go to the Citigroup Web site to find out about the "5 C's" of credit, which are characteristics of a person who is a good candidate to receive credit. (Answer: capacity, capital, collateral, conditions, and character).

<http://financialeducation.citigroup.com/citigroup/financialeducation/curriculum/index.htm>

5. Next, ask students to research at the FICO Web site what factors determine a credit score and discuss it as a class. (Answer: 35% — Payment History, 30% — How Much You Owe, 15% — Length of Credit History, 10% — New Credit, and 10% — Other Factors).

<http://www.myfico.com>

6. Then, discuss the range of possible credit scores, and what they mean. (General range: 300-850. Above 700 is a sign of good financial health. Below 600 is considered a high risk to lenders — this might mean higher interest rates or being turned down for a loan or credit application).

Day 3: The Lending Process

1. One person from each group should be chosen by his or her group to become part of the panel of bankers.
2. The panel is given the "Lending Requirement Card" Student Organizer, which gives them information about the type of credit rating a business will need in order to get a loan.
3. The panel then meets with each group to discuss whether or not that business is getting a loan, based on the business's credit rating, and the lenders' requirements.
4. If the group receives a credit score of under 600, they do not receive a loan.
5. If the group receives a credit score of over 700, they will receive a loan.
6. If the group receives a credit score of 600-700, they have the opportunity to try to convince the bankers to give them a loan, based on their plan for borrowing money to start a business.
7. Finally, come back together as a class, and discuss which businesses received a loan and why.

Day 4: Information

1. Present the Power Point Financing Your Business PP and Note Taking Guide.
2. Pair up students for the Government Regulation Research Project.
3. Pass out Government Regulations of Issuing Credit Research Assignment.
-Explain instructions thoroughly.

Day 5: Project Work Time

Students should submit research topics to the teacher so that no two groups have the same subject matter.
Allow use of computers for research and preparation for presentation.

Day 6: Presentations and Wrap up

Students should be evaluated on the provide rubric.

4. Assessment Activity.

Attachments for Learning Experiences: Please list.

Notes & Reflections: May include notes to the teacher, pre-requisite knowledge & skills, suggestions, etc.



CULMINATING PERFORMANCE TASK (Optional)

Culminating Unit Performance Task Title:

Government Regulations on Issuing Credit - Research Assignment

Culminating Unit Performance Task Description/Directions/Differentiated Instruction:

Students will work in partners. Please refer to the Government Regulations of Issuing Credit Research Assignment for directions and rubric. The teacher should prepare a sign-up sheet for students to choose their topics so that no one has the same one.

Attachments for Culminating Performance Task: Please list.

Rubric attached to file above



UNIT RESOURCES

Web Resources:

Attachment(s): Supplemental files not listed in assessment, learning experiences, and performance task.

Materials & Equipment:

What 21st Century Technology was used in this unit:

<input checked="" type="checkbox"/>	Slide Show Software	<input type="checkbox"/>	Graphing Software	<input type="checkbox"/>	Audio File(s)
<input type="checkbox"/>	Interactive Whiteboard	<input type="checkbox"/>	Calculator	<input type="checkbox"/>	Graphic Organizer
<input type="checkbox"/>	Student Response System	<input type="checkbox"/>	Desktop Publishing	<input type="checkbox"/>	Image File(s)
<input type="checkbox"/>	Web Design Software	<input type="checkbox"/>	Blog	<input type="checkbox"/>	Video
<input type="checkbox"/>	Animation Software	<input type="checkbox"/>	Wiki	<input type="checkbox"/>	Electronic Game or Puzzle Maker
<input type="checkbox"/>	Email	<input checked="" type="checkbox"/>	Website		