



**CAREER CLUSTER**

Finance

**CAREER PATHWAY**

Corporate Finance

**INSTRUCTIONAL AREA**

Economics

**BUSINESS FINANCE SERIES EVENT**

**PARTICIPANT INSTRUCTIONS**

- The event will be presented to you through your reading of the 21<sup>st</sup> Century Skills, Performance Indicators and Event Situation. You will have up to 10 minutes to review this information and prepare your presentation. You may make notes to use during your presentation.
- You will have up to 10 minutes to make your presentation to the judge (you may have more than one judge).
- You will be evaluated on how well you demonstrate the 21<sup>st</sup> Century Skills and meet the performance indicators of this event.
- Turn in all of your notes and event materials when you have completed the event.

**21<sup>st</sup> CENTURY SKILLS**

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- Critical Thinking – Reason effectively and use systems thinking.
- Problem Solving – Make judgments and decisions and solve problems.
- Communication – Communicate clearly.
- Creativity and Innovation – Show evidence of creativity.

**PERFORMANCE INDICATORS**

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- Explain the nature of capital investment.
- Describe the nature of cash flows.
- Determine factors affecting business risk.
- Explain the impact of the law of diminishing return.
- Identify factors affecting a business's profit.

## EVENT SITUATION

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You are to assume the role of the financial director at NORTH BOARDS, a business that manufactures paddles boards. The owner (judge) has asked you to recommend whether or not to use available capital to make a large purchase.

From March until early September, NORTH BOARDS is busy working with clients and manufacturing various paddle boards for use on local lakes and rivers. A staff of 50 employees is needed to keep up with paddle board demand and provide customer service. The majority of the staff is hired as seasonal workers, employed March through September. The climate in the area experiences significant snowfall and freezing temperatures during the winters months and cool weather starting each fall.

During the off months the staff of NORTH BOARDS is reduced to five employees that routinely check on online orders, service the equipment and occasionally make sales calls to potential clients.

The owner of NORTH BOARDS (judge) would like to expand the business by offering additional products during the winter months. The owner (judge) feels that manufacturing snowboards would complement the established paddle board company. The owner (judge) feels confident that many existing clients would be interested in purchasing a quality snowboard and finding new clients would not be difficult.

NORTH BOARDS has \$35,000 in savings. The owner (judge) would like to use the money in the account to purchase the machinery needed for manufacturing snowboards and supplies. The owner (judge) has given you the financial information and has asked you to look it over and decide if it is a wise use of the money in savings. If you advise the purchase, the owner (judge) wants you to recommend the best options.

- Price of new snowboard machinery and supplies: \$40,000
- Price of used snowboard machinery and supplies: \$25,000
- Interest rate on \$10,000 loan: 5%
- Purchase price of NORTH BOARDS snowboard: \$150

You will present the information to the owner (judge) in a role-play to take place in the owner's (judge's) office. The owner (judge) will begin the role-play by greeting you and asking to hear your ideas. After you have presented the information and have answered the owner's (judge's) questions, the owner (judge) will conclude the role-play by thanking you for your work.

## JUDGE INSTRUCTIONS

### DIRECTIONS, PROCEDURES AND JUDGE ROLE

In preparation for this event, you should review the following information with your event manager and other judges:

1. Participant Instructions, 21<sup>st</sup> Century Skills and Performance Indicators
2. Event Situation
3. Judge Role-Play Characterization  
Allow the participants to present their ideas without interruption, unless you are asked to respond. Participants may conduct a slightly different type of meeting and/or discussion with you each time; however, it is important that the information you provide and the questions you ask be uniform for every participant.
4. Judge Evaluation Instructions and Judge Evaluation Form  
Please use a critical and consistent eye in rating each participant.

### JUDGE ROLE-PLAY CHARACTERIZATION

You are to assume the role of the owner of NORTH BOARDS, a business that manufactures paddle boards. You have asked the financial director (participant) to recommend whether or not to use available capital to make a large purchase.

From March until early September, NORTH BOARDS is busy working with clients and manufacturing various paddle boards for use on local lakes and rivers. A staff of 50 employees is needed to keep up with paddle board demand and provide customer service. The majority of the staff is hired as seasonal workers, employed March through September. The climate in the area experiences significant snowfall and freezing temperatures during the winters months and cool weather starting each fall.

During the off months the staff of NORTH BOARDS is reduced to five employees that routinely check on online orders, service the equipment and occasionally make sales calls to potential clients.

You would like to expand the business by offering additional products during the winter months. You feel that manufacturing snowboards would complement the established paddle board company. You feel confident that many existing clients would be interested in purchasing a quality snowboard and finding new clients would not be difficult.

NORTH BOARDS has \$35,000 in savings. You would like to use the money in the account to purchase the machinery needed for manufacturing snowboards and supplies. You have given the financial director (participant) the financial information and have asked the financial director (participant) to look it over and decide if it is a wise use of the money in savings. If the financial director (participant) advises the purchase, you want the financial director (participant) to recommend the best options.

- Price of new snowboard machinery and supplies: \$40,000
- Price of used snowboard machinery and supplies: \$25,000
- Interest rate on \$10,000 loan: 5%
- Purchase price of NORTH BOARDS snowboard: \$150

The participant will present information to you in a role-play to take place in your office. You will begin the role-play by greeting the participant and asking to hear about his/her ideas.

During the course of the role-play, you are to ask the following questions of each participant:

1. If we do begin manufacturing snowboards, how should we promote the new products?
2. How will the new products affect our staffing needs in the fall/winter?

Once the financial director (participant) has presented information and has answered your questions, you will conclude the role-play by thanking the financial director (participant) for the work.

You are not to make any comments after the event is over except to thank the participant.

## EVALUATION INSTRUCTIONS

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The participants are to be evaluated on their ability to perform the specific performance indicators stated on the cover sheet of this event and restated on the Judge's Evaluation Form. Although you may see other performance indicators demonstrated by the participants, those listed in the Performance Indicators section are the critical ones you are measuring for this particular event.

### Evaluation Form Interpretation

The evaluation levels listed below and the evaluation rating procedures should be discussed thoroughly with your event director and the other judges to ensure complete and common understanding for judging consistency.

Level of Evaluation	Interpretation Level
Exceeds Expectations	Participant demonstrated the performance indicator in an extremely professional manner; greatly exceeds business standards; would rank in the top 10% of business personnel performing this performance indicator.
Meets Expectations	Participant demonstrated the performance indicator in an acceptable and effective manner; meets at least minimal business standards; there would be no need for additional formalized training at this time; would rank in the 70-89 <sup>th</sup> percentile of business personnel performing this performance indicator.
Below Expectations	Participant demonstrated the performance indicator with limited effectiveness; performance generally fell below minimal business standards; additional training would be required to improve knowledge, attitude and/or skills; would rank in the 50-69 <sup>th</sup> percentile of business personnel performing this performance indicator.
Little/No Value	Participant demonstrated the performance indicator with little or no effectiveness; a great deal of formal training would be needed immediately; perhaps this person should seek other employment; would rank in the 0-49 <sup>th</sup> percentile of business personnel performing this performance indicator.



## BUSINESS FINANCE SERIES 2024

### JUDGE'S EVALUATION FORM ASSOCIATION EVENT 2

Participant: \_\_\_\_\_

ID Number: \_\_\_\_\_

### INSTRUCTIONAL AREA: Economics

Did the participant:		Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
<b>PERFORMANCE INDICATORS</b>						
1.	Explain the nature of capital investment?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
2.	Describe the nature of cash flows?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
3.	Determine factors affecting business risk?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
4.	Explain the impact of the law of diminishing return?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
5.	Identify factors affecting a business's profit?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
<b>21<sup>st</sup> CENTURY SKILLS</b>						
6.	Reason effectively and use systems thinking?	0-1	2-3	4	5-6	
7.	Make judgments and decisions, and solve problems?	0-1	2-3	4	5-6	
8.	Communicate clearly?	0-1	2-3	4	5-6	
9.	Show evidence of creativity?	0-1	2-3	4	5-6	
10.	Overall impression and responses to the judge's questions	0-1	2-3	4	5-6	
<b>TOTAL SCORE</b>						