



CAREER CLUSTER

Finance

INSTRUCTIONAL AREA

Financial Analysis

FINANCIAL SERVICES TEAM DECISION MAKING EVENT

PARTICIPANT INSTRUCTIONS

- The event will be presented to you through your reading of the 21st Century Skills, Performance Indicators and Case Study Situation. You will have up to 30 minutes to review this information and prepare your presentation. You may make notes to use during your presentation.
- You will have up to 15 minutes to make your presentation to the judge (you may have more than one judge). All members of the team must participate in the presentation, as well as answer any questions.
- You will be evaluated on how well you demonstrate the 21st 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.

21st CENTURY SKILLS

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

PERFORMANCE INDICATORS

- Explain the time value of money.
- Explain the purposes and importance of credit.
- Describe types of financial-services providers.
- Demonstrate the wise use of credit.
- Describe the need for financial information.
- Explain the nature of overhead/operating costs.
- Determine factors affecting business risk.

CASE STUDY SITUATION

You are to assume the roles of the director of finance and the finance assistant for ISLAND SERVICE AIR, a business with a small fleet of sea planes and ferry boats that deliver mail and supplies to islands in the region. The owner of the business (judge) wants to expand services and wants your team to recommend financing.

ISLAND SERVICE AIR services three islands that are only accessible via air or ferry boat. ISLAND SERVICE AIR handles each of the island's postal service, supplies and emergency needs via a small fleet of sea planes. ISLAND SERVICE AIR is the only sea plane business in the area, so it is highly profitable due to sufficient cost-control and no competition. The company also own and operates passenger ferry boats to transport tourists and other passengers to the islands.

The owner of the company (judge) wants to expand operations to begin offering small group fishing expeditions for tourists. While there are other companies in the area that offer fishing expeditions, the owner (judge) feels there is room for another. Many tourists aboard the ferry boats talk about the fishing expeditions and pay top dollar to participate.

The owner (judge) will need to purchase a fishing boat and equipment. The cost of the required assets is \$15,085.00. The owner (judge) will make a cash down payment of \$7,085.00. The owner (judge) has secured three options to finance the remaining \$8,000.00 needed for the fishing boat and equipment, one from the boat dealership, one from the local bank and one through a finance company.

The owner (judge) wants your team to analyze the finance options, explain the purpose and importance of credit, annual percentage rate (APR), calculate total expenditures and recommend the best financing option. The owner (judge) also wants to know if other financial information is needed before expanding the business, how overhead, operating costs and competition could affect business risk.

Place	Principal	Number of payments	APR	Monthly Payment	Total Expenditures
Dealer	\$8,000	36	23.35%	\$311.14	\$_____
Local Bank	\$8,000	24	13.4%	\$381.84	\$_____
Finance Company	\$8,000	48	33%	\$302.17	\$_____

You will present the information to the owner (judge) in a meeting to take place in the owner's (judge's) office. The owner (judge) will begin the meeting by greeting you and asking to hear the information. After you have presented the information and have answered the owner's (judge's) questions, the owner (judge) will conclude the meeting 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, 21st Century Skills and Performance Indicators
2. Case Study Situation
3. Judge 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 team.

4. Judge Evaluation Instructions and Judge Evaluation Form

Please use a critical and consistent eye in rating each participant team.

JUDGE CHARACTERIZATION

You are to assume the role of the owner of ISLAND SERVICE AIR, a business with a small fleet of sea planes and ferry boats that deliver mail and supplies to islands in the region. You want to expand services and want the director of finance and the finance assistant (participant team) to recommend financing.

ISLAND SERVICE AIR services three islands that are only accessible via air or ferry boat. ISLAND SERVICE AIR handles each of the island's postal service, supplies and emergency needs via a small fleet of sea planes. ISLAND SERVICE AIR is the only sea plane business in the area, so it is highly profitable due to sufficient cost-control and no competition. The company also own and operates passenger ferry boats to transport tourists and other passengers to the islands.

You want to expand operations to begin offering small group fishing expeditions for tourists. While there are other companies in the area that offer fishing expeditions, you feel there is room for another. Many tourists aboard the ferry boats talk about the fishing expeditions and pay top dollar to participate.

You will need to purchase a fishing boat and equipment. The cost of the required assets is \$15,085.00. You will make a cash down payment of \$7,085.00. You have secured three options to finance the remaining \$8,000.00 needed for the fishing boat and equipment, one from the boat dealership, one from the local bank and one through a finance company.

You want the director of finance and the finance assistant (participant team) to analyze the finance options, explain the purpose and importance of credit, annual percentage rate (APR), calculate total expenditures and recommend the best financing option. You also want to know if other financial information is needed before expanding the business, how overhead, operating costs and competition could affect business risk.

Place	Principal	Number of payments	APR	Monthly Payment	Total Expenditures
Dealer	\$8,000	36	23.35%	\$311.14	\$_____
Local Bank	\$8,000	24	13.4%	\$381.84	\$_____
Finance Company	\$8,000	48	33%	\$302.17	\$_____

The participant team 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 team and asking to hear the information.

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

1. How do loans differ from credit cards?
2. Do you recommend expansion? Why or why not?

Once the director of finance and the finance assistant (participant team) have presented information and have answered your questions, you will conclude the role-play by thanking the director of finance and the finance assistant (participant team) for the work.

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

FINANCING EXPENDITURES SOLUTION

Place	Principal	Number of payments	APR	Monthly Payment	Total Expenditures
Dealer	\$8,000	36	23.35%	\$311.14	\$19,201.04
Local Bank	\$8,000	24	13.4%	\$381.84	\$17,164.16
Finance Company	\$8,000	48	33%	\$302.17	\$22,504.16

EVALUATION INSTRUCTIONS

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. The maximum score for the evaluation is 100 points. The presentation will be weighted twice (2 times) the value of the exam scores.

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	Participants 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	Participants 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 th percentile of business personnel performing this performance indicator.
Below Expectations	Participants 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 th percentile of business personnel performing this performance indicator.
Little/No Value	Participants demonstrated the performance indicator with little or no effectiveness; a great deal of formal training would be needed immediately; perhaps the participants should seek other employment; would rank in the 0-49 th percentile of business personnel performing this performance indicator.



FINANCIAL SERVICES TEAM DECISION MAKING 2024

JUDGE'S EVALUATION FORM ICDC PRELIMINARY

INSTRUCTIONAL AREA: Financial Analysis

Participant: _____

Participant: _____

ID Number: _____

Did the participant team:		Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
PERFORMANCE INDICATORS						
1.	Explain the time value of money?	0-1-2-3	4-5-6	7-8	9-10	
2.	Explain the purposes and importance of credit?	0-1-2-3	4-5-6	7-8	9-10	
3.	Describe types of financial-services providers?	0-1-2-3	4-5-6	7-8	9-10	
4.	Demonstrate the wise use of credit?	0-1-2-3	4-5-6	7-8	9-10	
5.	Describe the need for financial information?	0-1-2-3	4-5-6	7-8	9-10	
6.	Explain the nature of overhead/operating costs?	0-1-2-3	4-5-6	7-8	9-10	
7.	Determine factors affecting business risk?	0-1-2-3	4-5-6	7-8	9-10	
21 st CENTURY SKILLS						
8.	Reason effectively and use systems thinking?	0-1	2-3	4	5-6	
9.	Make judgments and decisions, and solve problems?	0-1	2-3	4	5-6	
10.	Communicate clearly and show evidence of collaboration?	0-1	2-3	4	5-6	
11.	Show evidence of creativity?	0-1	2-3	4	5-6	
12.	Overall impression and responses to the judge's questions	0-1	2-3	4	5-6	
TOTAL SCORE						