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| **TEXAS CTE LESSON PLAN**  [www.txcte.org](http://www.txcte.org) | |
| **Lesson Identification and TEKS Addressed** | |
| **Career Cluster** | Business Management & Administration |
| **Course Name** | Principles of Business, Marketing, and Finance |
| **Lesson/Unit Title** | Time Value of Money |
| **TEKS Student Expectations** | **130.132. (c) Knowledge and Skills**  (9) The student understands the fundamental principles of money:  (C) The student is expected to list functions of money such as medium of exchange, unit of measure, and store of value. |
| **Basic Direct Teach Lesson**  (Includes Special Education Modifications/Accommodations and  one English Language Proficiency Standards (ELPS) Strategy) | |
| **Instructional Objectives** | Student will be able to   * Understand ‘the time value of money’ concept * Explain ‘the time value of money’ concept * Calculate potential interest earned on an initial investment |
| **Rationale** | To gain a better understanding of ‘the time value of money’ concept. |
| **Duration of Lesson** | 1-2 days. |
| **Word Wall/Key Vocabulary**  *(ELPS c1a,c,f; c2b; c3a,b,d; c4c; c5b) PDAS II(5)* | **Money** - legal tender, cash  **Time Value of Money** - Price put on the time an investor or lender must wait until the investment or loanis fully recouped. TVM is based on the concept that money received earlier is worth more than the same amount of money received later, because it can be 'employed' to earn interest over time. Computed as compound interest. |
| **Materials/Specialized Equipment Needed** | **Materials Needed:**   * Time Value of Money Worksheet * Time Value of Money Worksheet Key * Time Value of Money Quiz * Time Value of Money Quiz Key   **Equipment/Software Needed:**   * Computers * Internet * Spreadsheet program |
| **Anticipatory Set**  (May include pre-assessment for prior knowledge) | Ask students if they’ve heard the phrase, “Time is money.” Discuss the meaning and examples of this. |
| **Direct Instruction \*** | **Introduction:**  To help students gain a better understanding of all the different types of currency out there, how we use it, and where we can get it.  **ASK:** Is it possible for a person to make money while they aren’t working? Like, while they’re sleeping.  **SAY:** Finish this statement…’Money is\_\_\_\_\_\_\_\_\_\_\_\_\_’  **ASK:** Why did you answer the way you answered?  **ASK:** Why do we all want money?  **ASK:** Do you think everyone deserves to have as much money as they want?  **ASK:** Why do you think some people have money and others don’t?  **ASK:** What would you be willing to do to make money? What would you not be willing to do to makemoney?  Please also see attached outline. |
| **Guided Practice \*** | Have students download at least one article dealing with the time value of money and read for understanding. You may direct them to the same article so that the information is received clearly.  Have students download (or you provide a hard copy handout) of the Time Value of Money Worksheet. Go over directions and then get them started in the right direction on how to fill in the required information. |
| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | Students will work on their own (or with partners/in groups) to complete the investment table. |
| **Lesson Closure** | We are doing this so students will be able to see what investing can do for a person as opposed to immediate spending…thus, getting across the concept of the time value of money.  **Informal Assessment:**  Walk around and spot check students as they work on their own. |
| **Summative / End of Lesson Assessment \*** | **Formal Assessment:**  Time Value of Money Quiz  **Formal Assessment:**  Students will be tested over calculating simple compounded interest for an initial investment for a specific period of time. Quiz and Key are provided. |
| **References/Resources/**  **Teacher Preparation** | **References:**   * http://www.tea.state.tx.us/index2.aspx?id=6148&menu\_id=720&menu\_id2=785 * The teacher will review the terms in the outline, Power Point slides, and any handouts to become familiar with the lesson. * Teacher should locate and evaluate various resources and websites before the lesson. * Teacher will have assignments and website information ready to distribute to students. |
| **Additional Required Components** | |
| **English Language Proficiency Standards (ELPS) Strategies** |  |
| **College and Career Readiness Connection[[1]](#footnote-1)** | **English-English 1**   * 110.31(b)(1). Reading/Vocabulary Development. Students understand new vocabulary and use it when reading and writing. * 110.31(b)(11). Reading/Comprehension of informational text/procedural texts. Students understand how to glean and use information in procedural texts and documents.   **Math-Algebra I**   * 111.32(b)(1)(C). Interpret and make decisions, predictions, and critical judgments from functional relationships.   **Occupational Correlation (O\*Net – www.onetonline.org/)**  **Job Title:** Personal Financial Advisors  **O\*Net Number:** 13-2052.00  **Reported Job Titles:** Portfolio Manager, Financial Planner, Account Executive  **Tasks**: Sell financial products such as stocks, bonds, mutual funds, and insurance if licensed to do so.Analyze financial information obtained from clients to determine strategies for meeting clients' financial objectives. Review clients' accounts and plans regularly to determine whether life changes, economic changes, or financial performance indicate a need for plan reassessment.  **Soft Skills:** Giving full attention to what other people are saying, taking time to understand the points beingmade, asking questions as appropriate, and not interrupting at inappropriate times. The ability to tell when something is wrong or is likely to go wrong. It does not involve solving the problem, only recognizing there is a problem. Actively looking for ways to help people. |
| **Recommended Strategies** | |
| **Reading Strategies** |  |
| **Quotes** |  |
| **Multimedia/Visual Strategy**  **Presentation Slides + One Additional Technology Connection** |  |
| **Graphic Organizers/Handout** |  |
| **Writing Strategies**  **Journal Entries + 1 Additional Writing Strategy** |  |
| **Communication**  **90 Second Speech Topics** |  |
| **Other Essential Lesson Components** | |
| **Enrichment Activity**  (e.g., homework assignment) | To extend the lesson, you can have students research to find actual interest rates offered, have them set up different sheet tabs/tables with the information, and calculate to compare and contrast their options. |
| **Family/Community Connection** |  |
| **CTSO connection(s)** | Business Professionals of America  Future Business Leaders of America |
| **Service Learning Projects** |  |
| **Lesson Notes** |  |

1. Visit the Texas College and Career Readiness Standards at <http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>, Texas Higher Education Coordinating Board (THECB), 2009. [↑](#footnote-ref-1)