

Business Management and Administration Career Cluster Cluster Knowledge and Skill Statements

The following Cluster (Foundation) Knowledge and Skill Chart provides statements that apply to all careers in the Business Management and Administration Cluster. Persons preparing for careers in the Business Management and Administration Cluster should be able to demonstrate these skills in addition to those found on the Essential Knowledge and Skills Chart. The Pathway Knowledge and Skill Charts are available in separate documents.

Cluster Topic	ACADEMIC FOUNDATIONS: <i>Achieve additional academic knowledge and skills required to pursue the full range of career and postsecondary education opportunities within a career cluster.</i>
BAC01	Solve mathematical problems and use the information to make business decisions and enhance business management duties.
BAC01.01.01	Solve mathematical problems using numbers and operations.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Recognize relationships among numbers Employ mathematical operations Perform computations successfully Predict reasonable estimations
BAC01.01.02	Apply algebraic skills to make business decisions.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Recognize patterns and mathematical relations Use algebraic symbols to represent, solve, and analyze mathematical problems Create mathematical models from real-life situations Represent changes in quantities mathematically Determine rate of change mathematically Interpret graphical and numerical data
BAC01.01.03	Employ measurement skills to make business decisions.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Recognize measurable attributes of objects Take measurements correctly
BAC01.01.04	Perform data analysis to make business decisions.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Formulate questions effectively Collect relevant data Organize useful data Answer questions appropriately Employ appropriate statistical methods in data analysis Develop and evaluate inferences and predictions Apply basic concepts of probability
BAC01.01.05	Evaluate the accuracy of mathematical responses using problem-solving techniques.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Identify problem-solving techniques Apply a variety of problem-solving strategies Adjust problem-solving strategies, when needed
BAC01.02	Examine and employ business and economic principles and concepts in making informed business decisions to continue business operations.
BAC01.02.01	Identify fundamental economic concepts necessary for employment in business.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Distinguish between economic goods and services Explain the concept of economic resources

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	Describe the concepts of economics and economic activities Determine economic utilities created by business activities Explain the principles of supply and demand Describe the functions of prices in markets
BAC01.02.02 <i>Sample Indicators</i>	Describe the nature of business and its contribution to society. Explain the role of business in society Describe types of business activities Explain the organizational design of businesses Discuss the global environment in which businesses operate Describe factors that affect the business environment Explain how organizations adapt to today's markets
BAC01.02.03 <i>Sample Indicators</i>	Recognize how economic systems influence environments in which businesses function. Explain the types of economic systems Explain the concept of private enterprise Identify factors affecting a business's profit Determine factors affecting business risk Explain the concept of competition Describe market structures
BAC01.02.04 <i>Sample Indicators</i>	Use knowledge regarding the impact government has on businesses to make informed economic decisions. Determine the relationship between government and business Describe the nature of taxes Discuss the nature of monetary policy Discuss the supply and demand for money Explain the role of the Federal Reserve System Explain the concept of fiscal policies Describe the effects of fiscal and monetary policies
BAC01.02.05 <i>Sample Indicators</i>	Analyze cost/profit relationships to guide business decision-making. Explain the concept of productivity Analyze impact of specialization/division of labor on productivity Explain the concept of organized labor and business Explain the impact of the law of diminishing returns Describe the concept of economies of scale
BAC01.02.06 <i>Sample Indicators</i>	Use economic indicators to detect economic trends and conditions. Describe the concept of price stability as an economic measure Discuss the measure of consumer spending as an economic indicator Discuss the impact of a nation's unemployment rates Explain the concept of Gross Domestic Product Describe the economic impact of inflation on business Explain unemployment and inflation tradeoffs Explain the economic impact of interest-rate fluctuations Determine the impact of business cycles on business activities
BAC01.02.07 <i>Sample Indicators</i>	Determine global trade's impact on business decision-making. Explain the nature of global trade Describe the determinants of exchange rates and their effects on the domestic economy Discuss the impact of cultural and social environments on global trade Explain labor issues associated with global trade

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**Cluster Topic
BAC02**

COMMUNICATIONS: *Use oral and written communication skills in creating, expressing and interpreting information and ideas including technical terminology and information.*

No additional statements in the topic beyond those found in the Essential Knowledge and Skills Chart.

**Cluster Topic
BAC03**

PROBLEM-SOLVING AND CRITICAL THINKING: *Solve problems using critical thinking skills (analyze, synthesize, and evaluate) independently and in teams. Solve problems using creativity and innovation.*

No additional statements in the topic beyond those found in the Essential Knowledge and Skills Chart.

**Cluster Topic
BAC04**

INFORMATION TECHNOLOGY APPLICATIONS: *Use information technology tools specific to the career cluster to access, manage, integrate, and create information.*

No additional statements in the topic beyond those found in the Essential Knowledge and Skills Chart.

**Cluster Topic
BAC05**

SYSTEMS: *Understand roles within teams, work units, departments, organizations, inter-organizational systems, and the larger environment. Identify how key organizational systems affect organizational performance and the quality of products and services. Understand global context of industries and careers.*

BAC05.01

Identify new ideas, opportunities, and methods to create or start a new project or venture.

BAC05.01.01

Employ entrepreneurial discovery strategies to generate feasible ideas for business ventures.

Sample Indicators

- Explain the need for entrepreneurial discovery
- Discuss entrepreneurial discovery processes
- Assess global trends and opportunities
- Determine opportunities for venture creation
- Assess opportunities for venture creation
- Describe idea-generation methods
- Generate venture ideas
- Determine feasibility of venture ideas

BAC05.01.02

Develop a concept for a new business venture.

Sample Indicators

- Describe entrepreneurial planning considerations
- Explain tools used by entrepreneurs for venture planning
- Assess start-up requirements
- Assess risks associated with venture
- Describe external resources useful to entrepreneurs during concept development
- Assess the need to use external resources for concept development
- Describe strategies to protect intellectual property
- Use components of business plan to define venture idea

BAC05.01.03

Evaluate a new business venture concept's potential for success.

BAC05.01.04

Determine the resources needed for start-up viability of a business venture.

Sample Indicators

- Describe processes used to acquire adequate financial resources for venture creation/start-up

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Select sources to finance venture creation/start-up
 Explain factors to consider in determining a venture's human-resource needs
 Explain considerations in making the decision to hire staff
 Describe considerations in selecting capital resources
 Identify capital resources needed for the venture
 Assess the costs/benefits associated with resources

BAC05.01.05 Actualize a new business venture to generate profit and/or meet objectives.

Sample Indicators

- Use external resources to supplement entrepreneur's expertise
- Explain the complexity of business operations
- Evaluate risk-taking opportunities
- Explain the need for business systems and procedures
- Describe the use of operating procedures
- Explain methods/processes for organizing workflow
- Develop and/or provide product/service
- Use creative problem-solving in business activities/decisions
- Explain the impact of resource productivity on venture success
- Create processes for ongoing opportunity recognition
- Develop plan to invest resources into improving current products or creating new ones

BAC05.01.06 Adapt to changes in business environment
 Select a harvesting strategy that matches the entrepreneur's desired goals regarding the business venture.

Sample Indicators

- Explain the need for continuation planning
- Describe methods of venture harvesting
- Evaluate options for continued venture involvement
- Develop exit strategies

BAC05.02 Analyze accounting systems' contribution to the fiscal stability of a business.

BAC05.02.01 Develop a foundational knowledge of accounting to understand its nature and scope.

Sample Indicators

- Explain the concept of accounting
- Explain the need for accounting standards (GAAP)
- Discuss the role of ethics in accounting
- Explain the use of technology in accounting
- Explain legal considerations for accounting

BAC05.02.02 Demonstrate accounting procedures used to track money flow and to determine financial status.

Sample Indicators

- Describe the nature of cash flow statements
- Prepare cash flow statements
- Explain the nature of balance sheets
- Describe the nature of income statements

BAC05.03 Understand tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources.

BAC05.03.01 Acquire a foundational knowledge of finance to understand its nature and scope.

Sample Indicators

- Explain the role of finance in business
- Discuss the role of ethics in finance
- Explain legal considerations for finance

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BAC05.04 Understand the methods that businesses use to recruit, train and develop human resources.

- BAC05.04.01 Describe the role and function of human resources management.
Sample Indicators Discuss the nature of human resources management
 Explain the role of ethics in human resources management
 Describe the use of technology in human resources management

Cluster Topic BAC06 **SAFETY, HEALTH AND ENVIRONMENTAL:** *Understand the importance of health, safety, and environmental management systems in organizations and their importance to organizational performance and regulatory compliance. Follow organizational policies and procedures and contribute to continuous improvement in performance and compliance.*

BAC06.01 Implement safety, health, and environmental controls to enhance business productivity.

- BAC06.01.01 Adhere to health and safety regulations to support a safe work environment.
Sample Indicators Describe health and safety regulations in business
 Report noncompliance with business health and safety regulations
- BAC06.01.02 Implement safety procedures to minimize loss.
Sample Indicators Follow instructions for use of equipment, tools, and machinery
 Follow safety precautions
 Maintain a safe work environment
 Explain procedures for handling accidents
 Handle and report emergency situations
- BAC06.01.03 Assess needed safety policies/procedures to ensure protection of employees.
Sample Indicators Identify potential safety issues
 Establish safety policies and procedures
- BAC06.01.04 Implement security policies/procedures to minimize chance for loss.
Sample Indicators Explain routine security precautions
 Follow established security procedures/policies
 Protect company information and intangibles
- BAC06.01.05 Develop policies/procedures to protect workplace security.
Sample Indicators Identify potential security issues
 Establish policies to protect company information and intangibles
 Establish policies to maintain a non-hostile work environment
 Establish policies and procedures to maintain physical security of the work environment

Cluster Topic BAC07 **LEADERSHIP AND TEAMWORK:** *Use leadership and teamwork skills in collaborating with others to accomplish organizational goals and objectives.*

No additional statements in the topic beyond those found in the Essential Knowledge and Skills Chart.

Cluster Topic BAC08 **ETHICS AND LEGAL RESPONSIBILITIES:** *Know and understand the importance of professional ethics and legal responsibilities.*

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BAC08.01	Describe business's responsibility to know and abide by laws and regulations that affect business operations.
BAC08.01.01	Obtain and provide information in a business setting.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Respect the privacy of others Explain ethical considerations in providing information Protect confidential information Determine information appropriate to obtain from a client or another employee
BAC08.01.02	Demonstrate ethical behaviors in the workplace.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Explain the nature of business ethics Demonstrate responsible behavior Demonstrate honesty and integrity Demonstrate ethical work habits
BAC08.01.03	Manage internal and external business relationships to foster positive interactions.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Treat others fairly at work Describe ethics in human resources issues
BAC08.01.04	Describe the nature and scope of business laws and regulations.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Discuss the nature of law and sources of law in the United States Describe the US Judicial system hierarchy for legal appeals Describe legal issues affecting businesses
BAC08.01.05	Describe the elements of a business contract.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Identify the basic torts relating to business enterprises Describe the nature of legally binding contracts
BAC08.01.06	Describe the current regulatory environment of United States' businesses.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Describe the nature of legal procedure Discuss the nature of debtor-creditor relationships Explain the nature of agency relationships Discuss the nature of environmental law Discuss the role of administrative law
BAC08.01.07	Describe current human resources laws and regulations.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Explain the nature of human resources regulations Explain the nature of workplace regulations (including OSHA, ADA) Discuss employment relationships
BAC08.01.08	Select business structure for immediate and long-term operations.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Explain types of business ownership Select form of business ownership
BAC08.01.09	Describe applicable commerce laws and regulations.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Explain the nature of trade regulations Describe the impact of anti-trust legislation
BAC08.01.10	Explain applicable tax laws and regulations to comply with government requirements.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Explain the nature of tax regulations on business Explain the nature of businesses' reporting requirements Develop strategies for legal/government compliance

Cluster Topic BAC09	EMPLOYABILITY AND CAREER DEVELOPMENT: Know and understand the importance of employability skills. Explore, plan, and effectively manage careers. Know and understand the importance of entrepreneurship skills.
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BAC09.01	Explore, obtain, and develop strategies for ensuring a successful business career.
BAC09.01.01	Develop self-understanding to recognize the impact of personal actions on others.
<i>Sample Indicators</i>	Describe the nature of emotional intelligence Explain the concept of self-esteem Recognize personal biases and stereotypes Assess personal strengths and weaknesses
BAC09.01.02	Develop personal traits and behaviors to foster career advancement.
<i>Sample Indicators</i>	Identify desirable personality traits important to business Exhibit a positive attitude Exhibit self-confidence Demonstrate interest and enthusiasm Demonstrate initiative Foster positive working relationships
BAC09.01.03	Participate in career-planning to enhance job-success potential.
<i>Sample Indicators</i>	Assess personal interests and skills needed for success in business Analyze employer expectations in the business environment Explain the rights of workers Identify sources of career information Identify tentative occupational interest Explain employment opportunities in business
BAC09.01.04	Implement job-seeking skills to obtain employment.
<i>Sample Indicators</i>	Utilize job-search strategies Complete a job application Interview for a job Write a follow-up letter after job interviews Write a letter of application Prepare a résumé Use networking techniques to identify employment opportunities
BAC09.01.05	Utilize career-advancement activities to enhance professional development.
<i>Sample Indicators</i>	Describe techniques for obtaining work experience (e.g., volunteer activities, internships) Explain the need for ongoing education as a worker Explain possible advancement patterns for jobs Identify skills needed to enhance career progression Utilize resources that can contribute to professional development (e.g., trade journals/periodicals, professional/trade associations, classes/seminars, trade shows, and mentors)

Cluster Topic BAC10	TECHNICAL SKILLS: Use the technical knowledge and skills required to pursue the targeted careers for all pathways in the career cluster, including knowledge of design, operation, and maintenance of technological systems critical to the career cluster.
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BAC10.01	Access, process, maintain, evaluate, and disseminate information to assist in business decision-making.
BAC10.01.01	Use information literacy skills to increase workplace efficiency and effectiveness.
<i>Sample Indicators</i>	Assess information needs

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	<ul style="list-style-type: none"> Obtain needed information efficiently Evaluate quality and source of information Apply information to accomplish a task Store information for future use
BAC10.01.02	Acquire a foundational knowledge of information management to understand its nature and scope.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Discuss the nature of information management Explain the role of ethics in information management Explain legal issues associated with information management
BAC10.01.03	Maintain business records to facilitate business operations.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Describe the nature of business records Maintain customer records
BAC10.01.04	Acquire information to guide business decision-making.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Describe current business trends Monitor internal records for business information Conduct an environmental scan to obtain business information Interpret statistical findings
BAC10.01.05	Utilize project-management skills to improve workflow and minimize costs.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Explain the nature of project management Identify resources needed for project Develop project plan Apply project-management tools to monitor project progress Evaluate project results
BAC10.02	Establish, maintain, control, and plan the use of financial resources to protect solvency.
BAC10.02.01	Describe the fundamental principles of money needed to make financial exchanges.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Explain forms of financial exchange (cash, credit, debit, electronic funds transfer, etc.) Identify types of currency (paper money, coins, banknotes, government bonds, treasury notes, etc.) Describe functions of money (medium of exchange, unit of measure, store of value) Describe sources of income (wages/salaries, interest, rent, dividends, transfer payments, etc.) Explain the time value of money Explain the purposes and importance of credit Explain legal responsibilities associated with financial exchanges
BAC10.02.02	Analyze financial needs and goals to determine financial requirements.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Explain the nature of financial needs (e.g., college, retirement, wills, insurance, etc.) Set financial goals Develop personal budget
BAC10.02.03	Manage personal finances to achieve financial goals.
<i>Sample Indicators</i>	<ul style="list-style-type: none"> Explain the nature of tax liabilities Interpret a pay stub Read and reconcile bank statements Maintain financial records Demonstrate the wise use of credit Validate credit history Protect against identity theft

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BAC10.02.04 Prepare personal income tax forms (i.e., 1040 EZ)
Explain the use of financial-services providers to aid in financial-goal achievement.

Sample Indicators Describe types of financial-services providers
Discuss considerations in selecting a financial-services provider

BAC10.02.05 Use investment strategies to ensure financial well-being.

Sample Indicators Explain types of investments
Explain the nature of capital investment
Establish investment goals and objectives

BAC10.02.06 Identify potential business threats and opportunities for protecting a business's financial well-being.

Sample Indicators Describe the concept of insurance
Obtain insurance coverage
Settle insurance losses
Identify speculative business risks
Explain the nature of risk management

BAC10.02.07 Obtain business credit and establish financial controls.

Sample Indicators Explain the purposes and importance of obtaining business credit
Analyze critical banking relationships
Make critical decisions regarding acceptance of bank cards
Determine financing needed for business operations
Identify risks associated with obtaining business credit
Explain sources of financial assistance
Explain loan evaluation criteria used by lending institutions
Complete loan application package

BAC10.02.08 Manage financial resources to maintain business solvency.

Sample Indicators Describe the nature of budgets
Explain the nature of operating budgets
Describe the nature of cost/benefit analysis
Determine relationships among total revenue, marginal revenue, output, and profit

Develop company's/department's budget
Forecast sales
Calculate financial ratios
Interpret financial statements

BAC10.03 Employ tools and strategies to influence, plan, control, and organize an organization/department.

BAC10.03.01 Explain the role that business management has in contributing to business success.

Sample Indicators Explain the concept of management
Explain the nature of managerial ethics

BAC10.03.02 Utilize planning tools to guide organization's/ department's activities.

Sample Indicators Explain the nature of business plans
Develop company goals/objectives
Define business mission
Conduct an organizational SWOT
Explain external planning considerations
Identify and benchmark key performance indicators (e.g., dashboards, scorecards, etc.)

Develop action plans
Develop business plan

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BAC10.03.03 Implement control activities that promote growth and development of the organization/department.

Sample Indicators

- Describe the nature of managerial control (control process, types of control, what is controlled)
- Analyze operating results in relation to budget/industry
- Track performance of business plan

BAC10.04 Identify, understand and implement processes and systems used to monitor, plan, and control day-to-day business activities.

BAC10.04.01 Implement expense-control strategies to enhance a business's financial well-being.

Sample Indicators

- Explain the nature of overhead/operating costs
- Explain employee's role in expense control
- Control use of supplies
- Conduct breakeven analysis
- Negotiate service and maintenance contracts
- Negotiate lease or purchase of facility
- Develop expense control plans
- Use budgets to control operations

BAC10.04.02 Maintain property and equipment necessary for ongoing business activities.

Sample Indicators

- Identify routine activities for maintaining business facilities and equipment
- Plan maintenance program

BAC10.05 Create, communicate, and deliver value to customers while managing customer relationships.

BAC10.05.01 Perform customer service activities to support customer relationships and encourage repeat business.

Sample Indicators

- Process customer orders
- Process customer returns

BAC10.05.02 Utilize technology to facilitate customer relationship management.

Sample Indicators

- Explain the use of databases in customer relationship management (CRM)
- Use CRM technology

BAC10.06 Employ systems, strategies, and techniques used to collect, organize, analyze, and share information in an organization.

BAC10.06.01 Explain the nature and scope of knowledge management practices within a business.

Sample Indicators

- Explain the nature of knowledge management
- Discuss the role of ethics in knowledge management
- Explain the use of technology in knowledge management
- Explain legal considerations for knowledge management

BAC10.06.02 Use knowledge management strategies to improve the performance and competitive advantage of an organization.

Sample Indicators

- Identify techniques that can be used to capture and transfer knowledge in an organization
- Determine factors causing loss of organizational knowledge
- Implement knowledge-management strategies

BAC10.07 Plan, implement, monitor, and evaluate business projects.

BAC10.07.01 Utilize project management skills to start, run, and complete projects.

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Sample Indicators

Explain the nature of a project life cycle
Explain standard project-management processes
Coordinate schedules and activities
Track project progress and results

BAC10.08 Implement, monitor and evaluate quality standards in order to ensure high quality.

BAC10.08.01 Explain the nature and scope of quality management practices within a business.

Sample Indicators

Explain the nature of quality management
Describe the nature of quality management frameworks (e.g., Six Sigma, ITIL, CMMI)

Discuss the need for continuous improvement of the quality process

BAC10.09 Examine and employ risk management strategies and techniques in order to minimize potential business loss.

BAC10.09.01 Explain the nature and scope of risk management practices within a business.

Sample Indicators

Explain the role of ethics in risk management
Describe the use of technology in risk management
Discuss legal considerations affecting risk management