

BUSINESS 280
PERSONAL FINANCIAL MANAGEMENT
SPRING SEMESTER 2011

1/10/11

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COURSE OBJECTIVES

The development of a working knowledge of basic tools that will guide the student in the acquisition of sound personal financial discipline at the individual level, including:

1. The development and appropriate implementation of a personal budget;
2. A working knowledge of the impact of compounding on investment returns, as well as other applications where time value of money principles play a key role;
3. Information useful in the management of individual debt exposure and issues surrounding the borrowing and repayment of money;
4. An analysis of various investment alternatives and vehicles, and risks typically associated therewith;
5. The impact of personal income taxes on investment returns and the accumulation of wealth;
6. An examination of the particular nuances of stock, bond, mutual fund, and ETF investment alternatives, and consideration of a framework for asset allocation amongst various alternatives equity and fixed income alternatives;
7. A comparison of the structural aspects of tax-deferred savings opportunities (including 401(k) and IRA vehicles);
8. An analysis of mechanisms useful for the protection of wealth through the use of insurance and other risk management and risk transfer techniques;
9. An understanding of key variables associated with the acquisition of tangible assets, such as an automobile or home;
10. The obtaining of a comfort level with information presented in financial periodicals, especially as relates to current events taking place during the semester;
11. The development and use of Excel in the analysis and development of financial analysis and decision making;
12. The professional presentation of the results of financial planning research and recommendations regarding alternatives.

REQUIRED TEXT AND MATERIALS

1. ***“Personal Finance” (Eighth Edition)***, by Ralph R. Frasca. Prentice Hall/Pearson, 2008;
2. **The Wall Street Journal** (Student Subscription);
3. Handouts and case studies, as directed.

CLASSROOM REQUIREMENTS

1. Success in the course will depend upon each student’s preparation for each topic *as it is to be discussed in class*; as a result, each student will be expected to have read each text assignment and to have focused on assigned problems and review questions **prior to** the day that each topic is to be discussed in class;
2. Professor commentary on text material and its practical application to current events will definitively occur in the classroom; consistent with such objective, ***success in the course will be dependent on class attendance, which is mandatory. Class attendance will be taken and graded.*** If a student is absent from class due to a specifically excusable reason (such as for a required school sporting event), the student must provide the Professor with an explanation of the absence. Absences for which an excuse is not given or accepted will represent an unexcused absence. When, in the Professor’s opinion, unexcused absences are excessive, or unsatisfactory performance in the course jeopardizes the student’s progress, notice to the Assistant Dean of Academic Affairs may be given by the Professor. Further absences will, at a minimum result in a (perhaps substantial) lowering of the student’s grade, and *may* result in failure in or suspension from the course. Should a student receive a notice of excessive absences or unacceptable performance in the course, it is the student’s sole responsibility to promptly contact the Professor to discuss the situation in question.
3. Students are responsible for any announcements that are made in class, including changes in assignments, due dates, elements of the course syllabus or its schedules, and for any handouts, ***whether such student was present in class or not at such time, for any reason.*** Students in the course are responsible for checking their e-mail at least once a day, and are ***fully responsible*** for any content included in e-mails sent from The Professor, which e-mails may contain additional instructions, information to be included in assignments, or narrative in clarification of assignments.
4. The attached assignment outlines are ***tentative at this time***, and is subject to change as guest speaker availability changes. If revised Assignment outlines are in effect, they will be color coded, and the class notified *under which schedule the class is currently operating*.
5. Anyone who has received formal documentation through Disability Services, and needs accommodations for testing should let the Professor know in writing well before the first Chapter test.

6. Chapter and Final Examination test dates will be announced sufficiently far in advance, and no makeup or early administration of tests will be allowed, except in extraordinary circumstances, and in the sole discretion of the Professor. For students required to attend school sponsored events, a request to take a test or exam early may be considered by the Professor.
7. If Chapter Tests are *not* designated by the Professor as “*take home*,” they will generally be given at night outside of class, with no adjustment to scheduled classes made. Any take home tests will be given a specific date by which they must be turned in to the Professor. Assignments or tests turned in late without permission from The Professor in advance may be subject to up to a markdown of up to 25% of the grade that would otherwise been assigned, all at the sole discretion of The Professor. Assignments turned in more than 48 hours from the time due may not be accepted at all, at the sole discretion of The Professor, in which case a zero may be assigned.
8. In class Quizzes, announced or not, may be given at the Professor’s discretion, as may be extra credit quizzes; differentiation as to each category will be communicated at the time of the quiz. Quizzes are a very important aspect of the course and are designed to keep students current on the text material, as well as a measure of how well class concepts are being absorbed. Quiz topics may include recent material from prominent Wall Street Journal content (see item 14). ***There will generally be no discretion given in making up any Quizzes, even for excused absences.***
9. All Focus Questions and Homework are expected to be completed as detailed in the attached Question and Problem Assignments schedule. While some Homework problems may be analyzed in class, ***the student is charged with successfully completing Homework outside of class.*** The Professor may or may not collect Homework. Answer keys will be available in The Professor’s Public Folder, so that any student desiring to check homework answers *after its due date* can do so outside of class. Please see the attached *Chapter Assignments and Question and Problem Assignment schedules (2 pages)* for specific details as to when such are to be completed. Students may work on homework on a small group basis, but categorically turning in homework completed by another will be considered a violation of The Rhodes Honor Code. Late homework will not be accepted.
10. In class participation in discussion topics is very important, as is student initiative in relating classroom topics to current events in the financial world (especially as connected to the student’s review of *The Wall Street Journal*); class participation grades will take into account how actively students pose questions in class.
11. Written assignments and class presentations should be completed and presented in a timely and professional manner, illustrating a depth of thought and careful communication of ideas and perspective. With respect to group assignments, each student is expected to make a balanced contribution to the group, and to share in the actual presentation to the class; failure to satisfactorily contribute will result in a significant grade penalty. Use of appropriate professional communication skills is very important. Careful compliance with presentation parameters (to be handed out or announced) is imperative.
12. Students are solely responsible for contacting the Professor if difficulties with the material are encountered, and use of office hours is encouraged. Such contact should be made On a timely basis, and the student should not wait on or try to “cram” remedial assistance.

13. The nature of the material is such that key concepts of the course “build upon” one another, and there is low probability of success in the course if the student procrastinates in terms of mastering the material. Asking questions in class is encouraged.
14. ***Regular reading of The Wall Street Journal is REQUIRED, and a subscription to same is mandatory*** (student rates are available, and will be discussed in class);
15. ***The use of cell phones, texting, or email review in the classroom will not be tolerated in any respect.***
16. Documents emailed to me should first be saved in the requisite **97-03 format**, as I have trouble opening the documents having an “x” in the extension. The way to do this is to execute the “File”, “Save As”, and subsequent instructions.
17. Students are expected to make a balanced contribution to class projects; grade adjustments may be made if such is not the case.

GRADING PROCESS

1. Major factors entering into grade determination will consist of:
 - a. Class attendance and contribution to class discussion **(20%)**;
 - b. Participation in, and communication with respect to group project **(10%)**;
 - c. The following testing parameters:
 - i). Chapter Test No. 1 **(20%)**;
 - ii). Chapter Test No. 2 **(20%)**;
 - iii). Comprehensive Final Examination **(15%)**.
 - d. Quizzes and/or homework assignments **(10%)**.
 - e. Professor’s assessment of overall student performance and/or improvement (or deficiency thereof); all to be awarded at the discretion of the Professor **(5%)**.

The Professor, in his sole discretion, may establish a minimum Chapter Test average threshold, which, upon meeting it, may allow a student to substitute said average for the portion of the student’s grade normally represented by the Final Examination, thereby waiving said Final Examination requirement for that student.

2. Overall course grades will be assigned according to the following general parameters (with pluses and minuses, as appropriate):

- A 90% and above
- B 80% to 89.9%
- C 70% to 79.9%
- D 60% to 69.9%
- F Below 60%

HONOR CODE

Compliance with The Rhodes College Honor Code is expected at all times. ***It will be considered an Honor Council offense to use, or to refer to notes, tests, presentations, or other related materials associated with prior students or materials used in previous offerings of the course. All Chapter Test and Final Examination Pledges will require disclosure as to compliance with stated "hand in" times.***

Chapter Assignments

Personal Finance: An Integrated Planning Approach (8th Edition) by Ralph R. Frasca

Please note that certain Chapters are NOT covered in strict numerical sequence.

Class Date	Topic	Reading Assignment
Thursday Jan. 13	Course Introduction	Not Applicable
Tuesday Jan. 18	The Financial Planning Process	Chapter 1
Thursday Jan. 20	Financial Statements & Budgets	Chapter 3
Tuesday Jan. 25	Financial Statements & Budgets (continued)	Chapter 3
Thursday Jan. 27	Time Value of Money	Chapter 2
Tuesday Feb. 1	Time Value of Money (continued)	Chapter 2
Thursday Feb. 3	Cash Management	Chapter 5
Tuesday Feb. 8	<i>Guest Speaker-Cash Management</i>	Handouts
Thursday Feb. 10	<i>Personal Income Taxes</i>	Chapter 4
Tuesday Feb. 15	Personal Income Taxes (continued)	Chapter 4
Thursday Feb. 17	Short-term Credit Management	Chapter 6
Tuesday Feb. 22	Short-term Credit Management (continued)	Chapter 6
Thursday Feb. 24	Financial Markets & Institutions	Chapter 9
Tuesday Mar. 1	Investment Basics	Chapter 10
Thursday Mar. 3	Stocks & Bonds	Chapter 11
Tuesday Mar. 8	Stocks & Bonds (continued)	Chapter 11
Thursday Mar. 10	Mutual Funds & Other Pooling Structures	Chapter 12
Tuesday Mar. 22	ETFs and Other Related Topics	Chapter 12
Thursday Mar. 24	Asset Allocation	Chapter 9-12 Total
Tuesday Mar. 29	Retirement Planning	Chapter 16
Thursday Mar. 31	Guest Speaker-Mutual Funds	Handouts
Tuesday Apr. 5	Consumer Durables	Chapter 7
Thursday Apr. 7	Housing	Chapter 8
Tuesday Apr. 12	Property & Liability Insurance	Chapter 13
Thursday Apr. 14	Team Presentations	Handouts
Tuesday Apr. 19	Guest Speaker	Handouts
Tuesday Apr. 26	Team Presentations	Handouts
Thursday Apr. 28	Healthcare & Disability Insurance	Chapter 14
TO BE ANNOUNCED IF TAKE HOME	OFFICIAL EXAM DAY May, 3, 2011, at 5:30 PM	Handouts

- The above schedule assumes a Rhodes Spring Break spanning March 11 – March 21 and an Easter Recess spanning April 21 – April 24.
- Chapter Test No. 1 (Chapters 1-5, **tentatively** scheduled for / due Wed. **February 9, 2011, 4:00 PM.**
- Chapter Test No. 2 (Chapters 6, 9,10, 11,12, 16,and Asset Allocation) **tentatively** scheduled for / due Wed. **April 6, 2011, 4:00 PM.**

Question and Problem Assignments

. Please note that certain Chapters are NOT covered in strict numerical sequence.

All chapters of *Personal Finance* have problems, review questions, and cases. Below is listed each Chapter, and the questions and problems in such chapters on which I would like students to focus as chapters are read, and those assigned for homework. The student is to concentrate on the Focus Questions concurrently with reading of the Chapter (ie., before the class in which the Chapter is to be covered in class).

Homework is to be completed by the beginning of the class session **following** that during which the Chapter was discussed (eg., the homework for Chapter 3 is due for class on January 27th).

Questions, problems, and homework may be reviewed in the class session **AFTER** we have discussed the chapter in class.

Ch.	Name	Focus Questions	Homework Problems
1	Financial Planning (pg. 16)	7, 10, 14,18	
3	Financial Statements & Budgets (pg. 74-76,78)	3, 11,15	Prepare a personal Semester/ Monthly Budget using the Excel email from the Professor
2	The Time Value of Money (pg. 41-42)	2, 6, 11, 12	5,13,14,16,17
4	Taxes (pg. 110-111)	1, 7,10, 12	4,5,6
5	Cash Management (pg. 138-139)	3, 5, 9	11
6	Short-Term Credit Management (pg. 174-176)	2, 3, 5, 18	9, Case 6.1 (questions 1,2,3,4)
9	Financial Markets & Institutions (pg. 263-264)	2, 8,9,	13, Case 9.1 (questions 1-2)
10	Investment Basics (pg. 283-284)	5, 9,14	1,16
11	Stocks & Bonds (pg. 312-313)	1,15,16	3,21,22
12	Mutual Funds & Other Pooling Arrangements (pg. 339-340)	1,2,7,8,9,17	11 (b),12,16,18
7	Consumer Durables (pg. 201-202)	5, 11,14	3, Case 7.2
8	Housing (pg. 235,236)	6, 8,11,20	12, Case 8.1
13	Property & Liability Insurance (pg. 370-371)	6, 7,11,14,17	2,10, Case 13.2
14	Health Care & Disability Insurance (pg. 398-399)	3, 7,17, 14	4, Case 14.2
16	Retirement Planning (pg. 466)	3,7, 14,17,20	13
	Team Presentations		Team presentations scheduled on April 14 and 26.