

BUSINESS 265
PERSONAL FINANCIAL MANAGEMENT
SPRING, 2009

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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 credit 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 professional presentation of the results of financial planning research and recommendations regarding alternatives; and
12. The development and use of Excel in the analysis and development of financial analysis and decision making.

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 definitely occur in the classroom; consistent with such objective, success in the course will be dependent on class attendance, which is mandatory. An excused absence may be granted for required school sponsored events, but advance notice to the Professor is required. Class attendance will be taken and graded, and more than 3 absences *for any reason* may result in 3 points, per absence, being deducted from the student’s final grade average. Excessive absences may result in notice to the appropriate Dean for further action, which may include failure, suspension, or being dropped from the class.
3. Students are responsible for any announcements that are made in class, including changes in assignments or due dates, and for any handouts, *whether such student was present in class or not at such time, for any reason*; the attached Assignment and Problem outlines are tentative at this time, and are subject to change, for which notice will be given by the Professor;
4. Test dates will be announced sufficiently far in advance, and no makeup tests will be given, except in extraordinary circumstances. For students required to attend school sponsored events, a request to take a test or exam early may be considered by the Professor.

5. Tests will generally be given outside of class, with no adjustment to scheduled classes made. At the Professor's discretion, take home tests may be given, or if not, back-to-back testing times may be considered so as to accommodate student schedule conflicts. If a student misses a test, the amount of the student's grade allocable to such test will be added to the weighting of the exam, as long as tests are not missed on an abusive basis.
6. 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. There will be no discretion to making up any quizzes.
7. Certain homework will be taken up by the Professor, and reviewed, but not graded. All homework is expected to be completed as scheduled, whether collected or not. *Please see attached Chapter and Problem Assignment schedules (2 pages) for specific details as to how such are to be completed and turned in.* 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, however for students required to attend school sponsored events, homework may be turned in early;
8. In class participation in discussion topics is very important, as is student initiative in relating classroom topics to current events in the financial world;
9. 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. As such, it will be important for each student to pay particular attention to the proper use of grammar, syntax, and idea and sentence flow. 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. Use of appropriate communication skills will be very important.
10. Students are 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 or try to "cram" remedial assistance. The nature of the material is such that the key concepts "build upon" one another, and there is low probability of success if the student procrastinates in terms of mastering the material. Asking questions in class is encouraged.
11. Regular review of *The Wall Street Journal* is required;
12. The use of cell phones or similar devices in the classroom is not allowed *in any respect*.

13. Anyone who has received documentation through Disability Services and needs accommodations for testing should let the Professor know well before the first test.

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 **(15%)**;
 - c. The following testing parameters:
 - i). Chapter Test No. 1 **(15%)**;
 - ii). Chapter Test No. 2 **(15%)**;
 - iv). Comprehensive Final Examination **(25%)**.
 - d. Quizzes and homework assignments **(10%)**;
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

1. Compliance with The Rhodes College Honor Code is expected at all times.

Business 265
Personal Financial Management
Chapter Assignments-Spring Semester 2009

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. 15	Course Introduction	Not Applicable
Tuesday Jan. 20	Financial Planning	Chapter 1
Thursday Jan. 22	Financial Statements & Budgets	Chapter 3
Tuesday Jan. 27	Time Value of Money	Chapter 2
Thursday Jan. 29	Time Value of Money (continued)	Chapter 2
Tuesday Feb. 3	Taxes	Chapter 4
Thursday Feb. 5	Cash Management	Chapter 5
Tuesday Feb. 10	Short-term Credit Management	Chapter 6
Thursday Feb. 12	Financial Markets & Institutions	Chapter 9
Tuesday Feb. 17	Investment Basics	Chapter 10
Thursday Feb. 19	Stocks & Bonds	Chapter 11
Tuesday Feb. 24	Stocks & Bonds (continued)	Chapter 11
Thursday Feb. 26	Mutual Funds & Other Pooling Arrangements	Chapter 12
Tuesday Mar. 3	Guest Speaker	Chapter 12
Thursday Mar. 5	Guest Speaker	Handouts
Tuesday Mar. 10	Alternative Investments	Handouts
Thursday Mar. 12	Asset Allocation Concepts	Handouts
Tuesday Mar. 24	Consumer Durables	Chapter 7
Thursday Mar. 26	Housing	Chapter 8
Tuesday Mar. 31	Property & Liability Insurance	Chapter 13
Thursday Apr. 2	Healthcare & Disability Insurance	Chapter 14
Tuesday Apr. 7	Retirement Planning	Chapter 16
Tuesday Apr. 14	Life Insurance & Estate Planning	Chapter 15
Thursday Apr. 16	Team Presentations	Not Applicable
Tuesday Apr. 21	Team Presentations	Not Applicable
Thursday Apr. 23	Advanced Topics	Handouts
Tuesday Apr. 28	Advanced Topics	Handouts
Thursday Apr. 30	Possible Review	Not Applicable
Wednesday May. 6 8:30 AM	FINAL EXAM	

1. The above schedule assumes a Rhodes Spring Recess spanning March 14-March 22, and an Easter Recess spanning April 9-12.
2. Test No. 1 (Chapters 1-6, and 9-10) *tentatively* scheduled for February 19, 2009.
3. Test No. 2 (Chapters 7-8, and 11-16) *tentatively* scheduled for April 16th, 2009.

Business 265
Personal Financial Management
Question and Problem Assignments-Spring Semester 2009

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).

Focus questions should be reflected upon, but **only Homework Problems need be handed in**. Homework is to be handed in during the class session **following** that during which the Chapter is discussed (eg., the homework for Chapter 3 is due in class on January 27th. Homework should only be completed **in ink**; homework may be corrected in class before being handed in at the end of class, but **all homework is to be completed before class** and **MAY NOT be completed in class (only corrected)**.

The questions and problems may be reviewed in the class session **AFTER** we have discussed the chapter.

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 Master Budget, and a Semester/Monthly Budget using the Excel email from the Professor
2	The Time Value of Money (pg. 41-42)	2, 6, 11, 12,13	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) Prepare a budget for this semester and for the academic year
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
15	Life Insurance and Estate Planning (pg. 433-434)	4, 9	15,17; Prepare an Income Statement based on the activity used in your <i>initial semester budget</i> Team presentations scheduled on April 16 and 21.