FIN 108, Personal Financial Management, 3 hours
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Textbook


The Course

This course serves as Quantitative Literacy Foundational Studies 2010 course and as such must meet certain objectives (QLLO). For Quantitative Literacy they are:

1. Solve for one or more unknowns from available information using appropriate methods;
2. Represent and solve real-world problems employing appropriate mathematical models;
3. Answer questions using empirical methods; and

Because this course is part of the larger Foundational Studies Program, it is important to place its goals within the context of the program’s goals. By the conclusion of your Foundational Studies Program at ISU, you will be able to meet the Foundational Studies Program Learning Objectives (FSLO)

1. Locate, critically read, and evaluate information to solve problems;
2. Critically evaluate the ideas of others;
3. Apply knowledge and skills within and across the fundamental ways of knowing (natural sciences, social and behavioral sciences, arts and humanities, mathematics, and history);
4. Demonstrate an appreciation of human expression through literature and fine and performing arts;
5. Demonstrate the skills for effective citizenship and stewardship;
6. Demonstrate an understanding of diverse cultures within and across societies;
7. Demonstrate the skills to place their current and local experience in a global, cultural, and historical context;
8. Demonstrate an understanding of the ethical implications of decisions and actions;
9. Apply principles of physical and emotional health to wellness;
10. Express yourself effectively, professionally, and persuasively both orally and in writing.
The program is also designed to build skills for applied learning. These Skill and Applied Learning Objectives (S&ALO) require that the course contribute to

1. Developing critical thinking skills.
2. Developing information literacy skills
3. Developing your writing skills (by including a graded writing component)

This course will directly address all of the Quantitative Literacy Foundational Studies Objectives, all of the Skill and Applied Learning Objectives and all but two of the overall Foundational Studies Goals (4 and 9). Specifically, you will be required to

1) Identify the benefits of using personal financial planning technologies to manage your personal finances (S&ALO#1; FSLO#1 & #5).
2) Learn the financial planning process and be able to define your major financial goals (QLLO#2; S&ALO#1 and #2; FSLO#5).
3) Understand that personal financial plans must change according to your life situation (QLLO#2; S&ALO#1 & #2; and FSLO #8).
4) Understand how government, business, and consumer actions as well changing economic conditions affect personal financial goals (QLLO#4; S&ALO#1 & #2; and FSLO #6 & #7).
5) Evaluate the impact of age, marital status, education, geographic location, and career choice on personal income (QLLO#1 & #2; S&ALO#1 & #2; and FSLO #3, #7 & #8).
6) Recognize the importance of career planning and its relationship to personal financial planning (QLLO#4; S&ALO#1 & #2; and FSLO #5, #7 & #8).
7) Understanding the role of financial statements, professional financial planners, and special planning concerns in the financial planning process. (QLLO#1 & #2; S&ALO#1 & #2; and FSLO #3).
8) Put a monetary value on financial goals using time value of money concepts (QLLO#1 & #2; S&ALO#2; and FSLO #7).
9) Prepare a personal balance sheet (QLLO#1 & #2; S&ALO#1 & #2; and FSLO #1 and #3).
10) Generate a personal income and expense statement (QLLO#1 & #2; S&ALO#1 & #2; and FSLO #1 and #3).
11) Learning to develop a good record-keeping system and use ratios to interpret personal financial statements. (QLLO#1 & #2; S&ALO#1 & #2; and FSLO #1 and #3).
12) Construct a cash budget and use it to monitor and control spending (QLLO#1 & #2; S&ALO#1 & #2; and FSLO #1 and #3).
13) Understand how to manage your taxes (QLLO#4; S&ALO#1 & #2; and FSLO #5, #7 & #8).
14) Understand how to manage your cash and savings. (QLLO#4; S&ALO#1 & #2; and FSLO #5, #7 & #8).
15) Learn the options on making automobile and housing decisions(QLLO#2, #3 & #4; S&ALO#1 & #2; and FSLO #1, #2 & #8).
16) Understand how to manage credit – Borrowing and Using Consumer Loans (QLLO#2, #3 & #4; S&ALO#1 & #2; and FSLO #1, #2 & #8).
17) Learn the importance of managing your insurance needs (QLLO#2, #3 & #4; S&ALO#1 &
18) Learn the importance of managing your investments. (QLLO#2, #3 & #4; S&ALO#1 & #2; and FSLO #1, #2 & #8).
19) Understand the importance of planning for retirement and estate planning (QLLO#2, #3 & #4; S&ALO#1 & #2; and FSLO #1, #2 & #8).
20) Learn to use a Personal Financial Planning Software (QLLO#2, #3 & #4; S&ALO#1 & #2; and FSLO #3 & #7).
21) Use blank worksheets provided with the textbook for dealing with several aspects of the personal financial planning process (QLLO#2, #3 & #4; S&ALO#1 & #2; and FSLO #1 & #7).
22) Write essays (in the context of quizzes and exams) to describe several aspects of the personal financial planning process (S&ALO#3; and FSLO #10).
23) Write answers to five selected concepts-in-review question in each chapter. You should select those questions based on your particular interest (S&ALO#3; and FSLO 10).

Overall these objectives require that the course expose you to the methods and uses of six-parts of the personal financial planning: (1) foundations of financial planning; (2) managing basic assets; (3) managing credit; (4) managing insurance needs; (5) managing investments; (6) retirement and estate planning. The course organizational scheme revolves around financial decision making that is firmly established on an operational set of financial plans (FSLO #1, & #3).

An important part of FIN 108, Personal Financial Management, is to alert you to erroneous assumptions of value and beliefs that personal financing plans are not necessary or, if they exist, are static. This course emphasizes the dynamics of the personal financial planning process by considering the impact of life changes – birth, marriage, divorce, job and career, and death (QLLO#2, #3 & #4; S&ALO#1 & #2; and FSLO #1 & #7).

Personal financial management is also something that everyone deals with or is exposed to almost every day of their lives. FIN 108 will provide you with the tools to question, evaluate, and plan your own financial needs for the years to come both during the course and once the course has ended. You can become a more responsible citizen when you learn how to manage your assets and liabilities (FSLO #5). You can also be better prepared for changes and emergencies during your life cycle (FSLO #7).

**Grading Policy**

Attendance to the lectures is important for a good understanding of this course material and, therefore, may affect your final grade. Although, attendance will be randomly verified, attendance & class participation will be 5% of the student final grade. Students who miss three or more classes will not receive points for attendance and class participation.

The remaining 95% of your grade will come from (1) **Three Written Essays (10%) and (2) Quizzes (85%)**. At this time, it is best that you use Firefox 4 or Internet Explorer 6 or 7 to take any quiz, otherwise you may be disconnect from your attempt and, hence, preventing you from completion. Students may take up to **fifteen** quizzes on the scheduled dates. At the semester end, the instructor will average your **higher twelve-quiz grades** to compute your quizzes final grade.
Quizzes dates are indicated below on the Course Tentative Sequence Plan.

Scale:

A (from 90 to higher final grade average);
A- (from 89 to 88 final grade average);
B+ (from 87 to 86 final grade average);
B (from 85 to 80 final grade average);
B - (from 79 to 78 final grade average);
C+ (from 77 to 76 final grade average);
C (from 75 to 70 final grade average);
C - (from 69 to 68 final grade average);
D+ (from 67 to 66 final grade average);
D (from 65 to 60 final grade average);
D- (from 59 to 57 final grade average).

"The Sycamore Standard"
Indiana State University

Students at Indiana State University are expected to accept certain personal responsibilities that constitute the "standard" for behavior in a community of scholars.

As a student at Indiana State University:

I will practice personal and academic integrity; I will commit my energies to the pursuit of truth, learning, and scholarship; I will foster an environment conducive to the personal and academic accomplishment of all students; I will avoid activities that promote bigotry or intolerance; I will choose associations and define my relationships with others based on respect for individual rights and human dignity; I will conduct my life as a student in a manner that brings honor to me and to the University Community; I will discourage actions or behaviors by others that are contrary to these standards.

Adopted by the Indiana State University Student Government Association April 17, 2002

AMERICAN WITH DISABILITIES ACT STATEMENT

“Indiana State University seeks to provide effective services and accommodation for qualified individuals with documented disabilities. If you need an accommodation because of a documented disability, you are required to register with Disability Support Services at the beginning of the semester. Contact the Director of Student Support Services. The telephone number is 237-2301 and the office is located in Gillum Hall, Room 202A. The Director will ensure that you receive all the additional help that Indiana State offers.

If you will require assistance during an emergency evacuation, notify your instructor immediately. Look for evacuation procedures posted in your classrooms.”

Laptop Usage
Your use of a laptop is generally permitted as long as such usage remains within the bounds of the Code
of Student Conduct and it conforms to the provisions of its use as laid out in this syllabus. There may be occasions where laptop usage is forbidden and if that occurs, failure to comply with this direction will be viewed as a violation of the Code of Student Conduct.

**Academic Freedom**

*Teachers are entitled to freedom in the classroom in discussing their subject, but they should be careful not to introduce into their teaching controversial matter which has no relation to their subject.*

The preceding comes from the American Association of University Professors statement on academic freedom. Though the entire statement speaks to many issues, it is this portion on the conduct of the course that is most relevant. For the purpose of Foundational Studies courses this means that faculty have the right to conduct their class in a fashion they deem appropriate as long as the material presented meets the learning objectives laid out by the entire faculty.

1 http://www.aaup.org/AAUP/pubsres/policydocs/contents/1940statement.htm
Personal Financial Management

Personal Financial Planning is applied Economics with respect to all of the major personal financial problems that individuals and families encounter. This course is built around a model that links together all of the major elements of effective money management. All of the latest financial planning tools and techniques are discussed. The roles of various financial decisions in the overall personal financial planning process are clearly delineated.

In every class period, the actions of an individual & family are shown to impact on personal financial planning. An important methodological resource will be the set of worksheets which accompanies the textbook. It will support the development of critical thinking, and demonstrate the use of financial models and statements which are important for personal financial planning. Summary of personal financial goals, analyzing the benefit of a second income, balance sheet and income and expense statements, computation of tax returns, comparing lease versus automobile purchases costs, home affordability analysis, rent-or-buy cost comparison, mortgage refinancing analysis, tracking consumer debt, to borrow or not to borrow, determining the need for life insurance, finding the amount of investment capital, estimating future retirement needs, annual cash budget by month, budget control schedule, and keeping tabs on the personal investment holdings are all issues to be examined in the course with support of that methodological resource.

Students are required to critically compare competing personal finance goals. Differences of cases are explained so that students can use their experiences and insights to judge for themselves the efficacy of various models. Through assignments students are required to explore the data that exists on a number of different situations and through assessments they are required to analyze (typically through the use of finance models) these situations. Students are also required to give a written analysis on selected topics of importance.