

General Education Course Proposal

Proposed Course: FIN ³⁰020 PERSONAL FINANCE Units 3
Prefix No. Title

Department: FINANCE AND BUSINESS LAW School: CRAIG SCHOOL OF BUSINESS

GE Category (Indicate one category only):

Foundation: A1___; A2___; A3___; B4___
Breadth: B1___; B2___; C1___; C2___; D___; E X
Integration: B___; C___; D___; International/Multicultural___

Existing Course___; Revised Course X; New Course___

Course Included in Current GE Program___

New courses require the Undergraduate Course Proposal form in addition to this form.

Revised courses require the Undergraduate Course Change Request in addition to this form.

Proposed catalog description: Limit course description to 40 words using succinct phrases. Include prerequisites, limitations, lecture/lab hours. Indicate former course number, e.g., (Former Biol 105) Personal financial analysis, planning and management for lifelong decision making. Topics include financial planning strategies, money and credit management, home ownership, home, health and auto insurance needs, savings and investment strategies and retirement and estate planning.

Enrollment limit per section: None

Expected number of sections per semester – Year 1 1; Year 3 1

Attachments:

1. A statement presenting the ways in which this course meets the Specifications provided in the appropriate section of the General Education Policy as well as in the Policies for Inclusion and Evaluation of General Education Courses.
2. A statement of elements common to all sections of this course, identifying content, objectives, required student activities, grading policy, representative texts, and an approximate schedule for the course. Required student activities include such things as papers, research projects, homework, laboratory and/or studio performance, recitations, participation, attendance, and exams.
3. A typical syllabus for a particular offering of the course.
4. Any special cost factors associated with this course.

Approval for Inclusion in General Education

[Signature] 3/26/98
Department Chair Date

original signed by Dean Fred Evans
School Dean Date

[Signature] 12/22/98
Associate Provost Date

ORIGINAL SIGNED BY
CURRICULUM COMMITTEE CHAIR

[Signature] 12/15/98
School Curriculum Committee Date
General Education Subcommittee Date

Forward Original and TWELVE copies to:
Associate Provost for Academic Affairs, M/S 54

ATTACHMENT #2
Common Course Elements

Proposed Course: FIN 20 Personal Finance
General Education Area E - Lifelong Understanding and Self-Development

Catalog Description: Personal financial analysis, planning, and management for lifelong decision making. Topics include financial planning strategies, money and credit management, home ownership, property and personal insurance protection, savings and investment strategies, retirement and estate planning.

Course Objectives: FIN 20 (Personal Finance) is designed to enable individuals to make informed decisions throughout their lives as they face an increasing array of financial alternatives. At each stage in their life cycle individuals are faced with crucial financial decisions and students will be shown how failure to make the best choices can adversely affect their standard of living and result in a less desirable life style. They will be introduced to a range of economic and financial resources and provided with the tools to analyze and evaluate alternative products and services associated with the following life cycle stages :

- (i) the *early years* of career building and household formation with decisions on benefit package alternatives, money and credit management, insurance protection and major household purchases,
- (ii) the *middle years* with decisions on investment opportunities and retirement planning,
- (iii) the *later years* with decisions about long term care choices and estate planning.

Course Goals: At the completion of this course students should be able to:

- understand the effects of social, cultural and psychological factors on their choices of financial products and services
- apply basic economic and financial principles to personal finances
- understand the nature of the changing financial environment and the role of financial institutions in personal finance
- evaluate their personal financial status and define realistic financial goals
- develop sound financial plans for each stage of their life cycle and know how to implement their plans using appropriate financial products and services
- recognize the need for continual review, reevaluation and review of their financial status throughout their lifetime

Course Content:

Section I: Basics of Life Cycle Financial Management (4 weeks)

Understanding the Need for Life Cycle Financial Management (2 weeks).

- the need for lifetime financial planning based changing family and career circumstances

- understanding the change in financial needs linked to aging such as longterm care and retirement planning
- effects of demographic changes, industrialization, entry of women into the work force, and other changes in cultural norms on personal finances
- identification of the characteristics of recession, recovery, expansion and downturns in the economy and their effects on personal finances
- analysis of current economic conditions
- determining an individual's current financial status
- developing long term and short term financial goals and implementation plans
- the importance of continued evaluation, review and revision of financial plans

Economic Concepts of Personal Financial Management (2 week)

- computation of present value, future value and annuities
- relationship between the return and the risk of an investment
- risk reduction through diversification, insurance and hedging
- personal risk tolerance assessment

Section II: Career Building and Household Formation Years - the 20s and 30s (5 weeks)

Money & Credit Management (2 weeks)

This topic focuses on the money and credit management decisions made by young people as they start careers and set up households. It examines the pitfalls facing individuals in these years and prepares them to make sound decisions about the financial alternatives available to them. It includes:

- Managing credit card debt and consumer loans
- Choosing a banking institution and opening the appropriate accounts
- Computing effective interest rates and understanding loan terms
- Understanding consumer protection laws and bankruptcy protections

Home and Auto Ownership (1 week)

This topic examines important factors in home and auto ownership and includes:

- Selecting a home or auto
- Making home and auto lease-or- buy decisions
- Evaluating financing alternatives for homes and autos

Insurance Protection (2 weeks)

This topic examines the costs and benefits of insurance alternatives and includes:

- Determining risk classes using actuarial information
- Evaluating life insurance alternatives
- Estimating health and disability insurance coverage
- Selecting home and automobile insurance coverage

Section III: The Investment Years - the 40s and 50s (4 weeks)

This topic introduces students to products and services used for college savings plans, retirement plans and other longer term investment goals. It discusses common investment strategies.

- The Relationship between Financial Service Providers and Clients
- Functions and Regulation of the Securities Markets
- Characteristics of Common and Preferred Stock
- Characteristics of Mutual Funds - Goals, Composition, Costs and Returns
- Characteristics of Government, Municipal and Corporate Bonds
- Dividend Reinvestment Programs and Dollar Cost Averaging
- Introduction to Fundamental and Technical Analysis
- Employer Sponsored Retirement Plans, IRAs, Roth IRAs and Keoghs

Section IV: The Retirement Years - the 60s and beyond (2 weeks)

The following two topics are designed to prepare students not only for their own retirement years but also for the more imminent retirements of parents and older family members.

Social Security & Elder Health Issues(1 week)

- Social Security Operations and Benefits
- Medicare and Private Health Supplemental Programs
- Making Choices among Long Term Care Alternatives

Estate Planning (1 week)

- Power of Attorney & Wills
- Trusts & Gifts
- Probate

Homework Assignments: Homework assignments are intended to reinforce the concepts presented in class and to allow students to explore other sources of financial information in published form and on readily available websites.

Papers/Projects. The University General Education policy states that each course in lower division GE must have a 2,000 word writing requirement. Accordingly, each student is required to complete the writing assignments, consistent with GE policy, at a minimum of 2,000 words.

Examinations: There will be two (2) midterms and a comprehensive final examination.

Grading Criteria: To receive a passing grade in this course students must complete the writing requirement stipulated above. In addition,

to earn an A grade, they must score ___ or more points,

to earn a B grade, they must score ___ or more points,

to earn a C grade, they must score ___ or more points, and

to earn a D grade, they must score ___ or more points.

Failure to earn the requisite number of points or not to complete the writing requirement will result in an F grade.

For information on Attendance Policy, Make-up exams, Students with disabilities, Withdrawal from Course, Cheating and Plagiarism see Instructor's Policy (Attachment # 4).

**Attachment # 3
Sample Syllabus**

Proposed Course: FIN 20 Personal Financial Planning
General Education Area E - Lifelong Understanding and Self-Development

FIN 20 Personal Financial Planning
3 units, no prerequisite
days, time and location of class

Catalog Description: Personal financial analysis, planning and management for lifelong decision making. Topics include financial planning strategies, money and credit management, home ownership, property and personal health protection, savings and investment strategies, retirement and estate planning.

General Education: This course meets General Education requirements. For students with catalog year 1999 and beyond, it meets the requirement for Area E - Lifelong Understanding and Self-Development.

Instructor:	Phone:
Office:	Fax:
Office Hours:	Email:

Course Objectives: FIN 20 (Personal Financial Planning) is designed to enable you to make better financial decisions throughout your lifetime as you face the increasing array of available options. It promotes a better understanding of the social, cultural and psychological factors which influence the financial decision making process. It introduces you to a range of economic and financial resources and provides you with the tools to evaluate alternative products and services. It emphasizes the need for you to take responsibility for the management of your personal finances, to be aware of your changing needs over the years, and to be prepared to take advantage of the rapid changes in the financial environment.

Course Goals: At the completion of this course you should be able to:

- understand the effects of social, cultural and psychological factors on your choices of financial products and services
- apply basic economic and financial principles to personal finances
- understand the nature of the changing financial environment and the role of financial institutions in personal finance
- evaluate your personal financial status and define realistic financial goals
- develop sound financial plans for each stage of your life cycle and know how to implement your plans using appropriate financial products and services
- recognize the need for continual review, reevaluation and review of your financial status throughout your lifetime

Information Sources:

1. Required Text: **Personal Finance - Turning Money into Wealth** by Arthur J. Keown
Prentice Hall, Inc. 1998
2. Supplemental publications on financial planning, money management, retirement planning, Social Security, and long term care will be provided from the Consumer Information Center, Pueblo, CO, the American Association of Retired Persons and the Social Security Administration.
3. Readings from current issues of journals and magazines may be assigned for each topic.
4. Internet websites will be utilized to access up-to-the-minute information on financial planning, money management, investment strategies, and economic information.

Fees: There are no special fees attached to this course

Course Topics/Calendar [Note: The following schedule and procedures for this course are subject to change in the event of extenuating circumstances]

The course is organized in four major sections: basic information for life cycle financial management, the career building and household formation years, the wealth accumulation years, and the retirement years. Topics within each section examine the areas of personal finance that are most relevant for that stage of an individual's life cycle.

SECTION I - The Basics for Life Cycle Financial Management

Topic 1: *Understanding the Need for Life Cycle Financial Management* (2 weeks)

An introduction to the life cycle approach to personal financial management highlighting the changes in financial needs you can expect over the years; an examination of the changes in the economic and financial environment which affect your personal finance decisions; use of the personal financial planning process to develop your own financial plan and investigation the role of personal preferences and life styles in setting financial goals.

Week 1 Introduction - Overview of the Course Content and Requirements
Examining changing financial needs and wants over a lifetime
Determining the appropriate goals for each stage of a life cycle
How the business cycle affects economic and financial decisions
Economic indicators and the need for financial foresight

Week 2 What is your current financial status - income and net worth statements
Comparing the effect of personal preferences and life styles on financial goals,
Prioritizing goals and developing action plans to achieve those goals
Recognizing the importance of periodic review, reevaluation and revision of plans

Readings: Chapter 1 and 2 (textbook)

Assignment: Use the template provided to design a personalized Financial Planner to determine personal net worth and keep track of personal income and expenditures for the next twelve weeks.

Topic 2: *Economic Concepts of Personal Financial Management* (2 weeks)

An introduction to the time value of money concept and the relationship between risk and return in financial investments.

- Week 3 What is the time value of money and how does it affect you
Valuing investments using the time value of money
Calculating loan payments, retirement annuities and lease obligations
- Week 4 What is risk and how is it measured
Reducing risk through diversification, insurance and hedging
How risk averse are you and how does that affect your financial behavior

Midterm

Readings: Chapter 3 and 12 (textbook)

Assignments: Handout of problem sets covering computation of present, future and annuity values, portfolio returns and risk.

SECTION II - Career Building and Household Formation Years - the 20s and 30s

Topic 1: *Money & Credit Management* (2 weeks)

The personal finance decisions you will face as you start your career and set up a household; the pitfalls ahead in these years; making sound decisions about the available financial alternatives

- Week 5 Determining how much debt you can handle
Evaluating your best banking alternative
Finding the appropriate checking or savings account
Choosing the right credit card and managing your credit card debt
- Week 6 What are installment/consumer loans and where do you find them
Computing effective interest rates and understanding loan terms
Solving credit problems and preserving your credit reputation
Understanding consumer protection laws and bankruptcy provisions

Readings: Chapters 5, 6, 7, (textbook)

Assignments: Collection and analysis of information on the products and services discussed in class. The results of the assignments will be compiled in a resource file which you can use for later reference.

Topic 2 *Home and Auto Ownership* (1 week)

The decisions surrounding home and auto ownership involving selection and financing alternatives.

- Week 7 How to select an appropriate home or auto to fit your needs
Should you buy or lease your home or auto
What are the steps involved in purchasing a home
Evaluating alternative mortgage alternatives

Readings: Chapters 8 (textbook)

Assignments: Collection and analysis of information on the products and services discussed in

class. The results of the assignment will be added to the resource file which you can use for later reference.

Topic 3: *Insurance Protection (2 week)*

The costs and benefits of insurance alternatives and evaluation of competing products and services.

Week 8 When do you need insurance
Evaluating alternative life insurance products

Week 9 Selecting the most comprehensive health and disability insurance coverage
Examining the factors which affect home and auto insurance needs
Choosing the most suitable insurance coverage

Midterm

Readings: Chapters 9, 10 and 11 (textbook)

SECTION III - The Investment Years - the 40s and 50s (4 weeks)

An introduction to financial products and services used for long term investment purposes such as childrens' education funds and retirement planning; comparisons of investment alternatives; basic investment strategies in common use

Week 10 What are kind of investments are available and how do they work
Where to find information on stocks, bond and mutual funds
Opening an investment account with a full service or a discount broker

Week 11 Evaluating stock investment alternatives
Understanding the risk-return relationship in stocks, bonds and mutual funds
Lending money to federal, state or local governments
Lending money to private corporations

Week 12 Pros and cons of mutual fund investing
Finding the right mutual fund for your needs
Choosing an investment portfolio that lets you sleep at night

Week 13 DRIPs and Dollar Cost Averaging
Fundamental and Technical Analysis

Readings: Chapters 13, 14, 15, and 16 (textbook)

Assignment: You will form a 'virtual' portfolio composed of \$10,000 worth of stocks. The stock prices will be tracked over the four week period to determine gains or losses. Rates of return for each stock will be computed at the end of each week.

SECTION IV - The Retirement Years - the 60s and beyond

Topic 1: *Social Security and Elder Health Issues* (1 week)

Preparation not only for your own retirement years but also for the more imminent retirements of parents and older family members.

Week 14 Which plan is best for you: examining employer sponsored retirement plans, IRAs, Roth IRAs and Keoghs
What are the facts about Social Security
Understanding Medicare and Private Health Supplemental Programs
Making Choices among Long Term Care Alternatives

Readings: Publications from government agencies and private sources

Topic 2 *Estate Planning* (1 week)

Week 15 Power of Attorney & Wills
Trusts and Gifts
Probate

Readings: Chapter 18

ASSIGNMENTS

1. Homework Assignments: Homework assignments are intended to reinforce the concepts presented in class and to allow you to explore other sources of financial information in published form and on readily available websites. The assignments will be compiled in a resource file which you can use later when faced with your own financial decisions. Each assignment will contain a brief description of the material covered, analysis and computations linked to the relevant concepts, and a list of references for future use.

Homework Policy: Late homeworks will be penalized and no homeworks will be accepted after the graded assignment has been returned to the class.

2. Papers/Project. The University General Education policy states that each course in lower division GE must have a 2,000 word writing requirement. Accordingly, each student is required to complete the writing assignments, consistent with GE policy, at a minimum of 2,000 words. In addition to the written component of the homework assignments mentioned above, students will carry out an extended analysis of a continuing personal finance case study found at the end of each section of the textbook. The analysis will be broken into four (4) sections: Financial Planning, Money Management and Insurance Protection, Investment Management, and Retirement and Estate Planning. Students will analyze the information provided using principles and tools discussed in class as well as information from outside sources. Grading and feedback on each section will be given throughout the semester based on specified criteria. The final paper containing an introduction, sections on each analysis and overall recommendations for the family's financial management is due on the last day of class.

3. Examinations: There will be two (2) midterms and a comprehensive final examination scheduled as follows:

First Midterm Exam at the end of Week 4

Second Midterm Exam at the end of Week 8

Final Comprehensive Exam as scheduled during the final examination period.

4. Evaluation Procedure: Credit for all assignments will be given as indicated below:

Homework Assignments	10 @ 10 points each	100 points
Ongoing Case Study Analysis	4 @ 40 points each	160 points
Final Case Study Analysis	1 @ 40 points	40 points
Midterm Examinations	2 @ 50 points each	100 points
Final Examination	1 @ 100 points	<u>100 points</u>
TOTAL		500 points

5. Grading Criteria: To receive a passing grade in this course students must complete each section of the case study analysis. In addition,

to earn an A grade, they must earn 450 or more points,

to earn a B grade, they must earn 400 or more points,

to earn a C grade, they must earn 350 or more points, and

to earn a D grade, they must earn 300 or more points.

Failure to earn the requisite number of points or not to complete the written requirement will result in an F grade.

6. For information on Attendance Policy, Make-up exams, Students with disabilities, Withdrawal from Course, Cheating and Plagiarism see Instructor's Policy (Attachment # 4)

Attachment #4
Instructor's Policies

Proposed Course: FIN 20 Personal Finance
General Education Area E - Lifelong Understanding and Self-Development

INSTRUCTOR'S POLICIES

Instructor
Finance & Business Law
Telephone & Voice Mail
email address

CLASS ATTENDANCE

Class attendance is highly advisable, but not mandatory. However the student is held strictly accountable for all class lectures, course handouts, reading assignments, quizzes, and exam announcements. The "buddy system" for note-taking by a classmate in case of absence is a sensible safeguard against missing important information affecting your final course grade.

CLASS DROPS

Following the normal deadline for class drops, withdrawals from the course will not be approved by the instructor unless for a serious and compelling reason which does not include missing an exam or failing the class.

STUDENTS WITH DISABILITIES

If you have special needs as addressed by the Americans with Disabilities Act (ADA) and need course materials in alternative formats or alternative examination arrangements, notify your instructor immediately. Reasonable efforts will be made to accommodate your needs. In addition, contact the Office of Services for Students with Disabilities, Madden Library, Room 1049, or call 278-2811.

OFFICE HOURS

The instructor is available for course consultation and academic advising during the hours noted on the course syllabus for the current semester. Individual appointments outside of regular office hours can also be arranged.

MAKEUP EXAMS

Exams normally must be taken at the designated times. If two sections of the course are taught by the same instructor, midterms and final exams may (with prior approval of the instructor) be taken as scheduled for the other section.

Scheduling Conflicts - Special arrangements for a makeup exam can be made for legitimate reasons (e.g. out-of-town interviews, athletic team trips), provided one week's notice is given with official written explanation of the activity and dates from the responsible supervising person (e.g. faculty advisor or coach). An early makeup exam, taken prior to the test date, is preferable.

Unscheduled Events - If a sudden unexpected occurrence (e.g. incapacitating accident) happens immediately prior to the exam, you must
 (i) notify the instructor or the department secretary prior to the exam period (or as soon as you are physically capable of doing so) of your inability to take the exam at the scheduled time, and
 (ii) arrange to take the exam as soon as possible thereafter (preferably on the same or next day)

Makeup exams will NOT be given for unexcused absences, except for the most extenuating, unforeseen, legitimate and fully documented (e.g. medical certificate) circumstances. The instructor retains the option of changing the exam format in all instances.

WARNING - Unexcused absences during exams will result in a numerical grade of zero, not a letter grade of 'F'.

GRADING SYSTEM

Grades are earned on the basis of **PERFORMANCE**, not effort, in meeting course objectives. The following scale which links course grades to equivalent job evaluations and relative mastery of the subject matter will help you understand the level of performance expected in this class.

<u>Grade</u>	<u>Job Evaluation</u>	<u>Mastery of Subject Matter</u>
A = 90 - 100%	Advancement	Outstanding Mastery
B = 80 - 89%	Bonus	Above Average Mastery
C = 70 - 79%	Cost-of-Living Raise	Expected Mastery
D = 60 - 69%	Demotion	Deficient Mastery
F = < 60%	Fired	Nonfunctional Mastery

An individual student's letter grade is not dependent upon the scores of other students in the class: in other words, the instructor does not grade 'on a curve'.

CAUTION - While a grade representing an unsatisfactory performance in a particular course is an indicator of the level of achievement in that course, it should not be interpreted as a measure of an individual's general ability, future success, or self-worth. It is recognized that one's performance at any given time can be adversely affected by numerous intervening factors (job commitments, personal problems, limited interest in the subject, etc.).

Incompletes - University policy specifies that this grade is to be given ONLY if "a portion of the required coursework has not been completed and evaluated in the prescribed time period due to unforeseen, but fully justified, reasons and that there is still a possibility of earning credit" for the course.

CHEATING AND PLAGARISM

University definitions of cheating and plagiarism are found in the Schedule of Courses as follows:

Cheating

Cheating is the willful and intentional practice of fraudulent and deceptive acts for the purpose of improving a grade or obtaining course credit.

Plagiarism is identified as a specific form of fraudulent and deceptive act which consists of the willful and intentional misuse of the published works of another by representing the material so used, as one's own work.

All instances of cheating and/or plagiarism will result in a report being filed with the Dean of Students and an "F" grade for the class. Other actions may include academic probation, suspension from classes, and/or expulsion from the university.