

BUS 200 - PERSONAL FINANCE

Spring 2009 - MW 2:00-2:50 p.m., Mitchell Hall 203

Prof. John Zietlow, D. B. A., CTP

TEXT: Gitman, Lawrence, and Joehnk, Michael. (2005). Either buy the entire 10th edition or buy the custom paperback edition of **Personal Financial Planning**, Tenth Edition, 2005, Thomson/South-Western, Mason, OH. You do not need the version with the CD or the PIN code; the custom paperback edition comes with the PIN code that gives access to the Gitma XTRA! Website.

OTHER REQUIRED MATERIALS:

None. Because of the usage of Excel worksheets or the XTRA! computerized worksheets, we will not be purchasing a financial calculator.

CATALOG DESCRIPTION:

A course that provides an examination of financial decision making, with an emphasis on Christian stewardship, for the individual or family. Topics covered will include charitable giving, use of debt financing, investment and savings options, budgeting, insurance, and estate planning. Offered each semester.

I. PURPOSE

This course is designed to assist the student in building a conceptual framework with which to make prudent financial decisions in their jobs, personal financial planning, and church financial planning.

II. OBJECTIVES

A. General Behavioral Objectives

This course seeks to:

1. Introduce the student to the personal and family financial decisions.
2. Assist the student in developing a conceptual framework upon which to base decisions of personal and family financial stewardship.
3. Assist the student to achieve a working knowledge of techniques for analyzing financial data, for purposes of personal and family decision-making.
4. Provide an integration of one's faith with the personal and family financial arena.

B. Specific Behavioral Objectives

As a result of the activities and study in this course, the student should be able to do the following:

1. Understand the goals and functions of the individual financial decision maker.
2. Understand the time value of money and the implications thereof to risk, rates of return, and investment value.
3. Analyze and control individual or family cash flow.
4. Utilize the basic tools of finance that are helpful in analyzing and resolving practical financial problems that an individual or family is likely to face.
5. Analyze sources of financing available for personal and family auto and home mortgage loans.
6. Understand that the Christian individual's approach to his/her responsibilities will differ from that of the non-Christian individual.

III. TOPICS TO BE COVERED

A. Understanding the Financial Planning Process

1. Rewards of Sound Financial Planning
2. The Personal Financial Planning Process
3. From Goals to Plans
4. Setting Your Personal Financial Goals
5. The Planning Environment
6. What Determines Your Personal Income?

B. Your Financial Statements and Plans

1. Mapping Out Your Financial Future
2. Analyzing the Benefit of a Second Income
3. The Time Value of Money
4. The Balance Sheet and Your Net Worth
5. Income and Expense Statement
6. Using your Personal Financial Statements
7. Cash In/Cash Out and Using Your Budget

- C. Managing Your Taxes
 - 1. Federal Income Tax Principles
 - 2. Taxable Income
 - 3. Calculating and Filing Your Taxes
 - 4. Examples of Forms
 - 5. Effective Tax Planning
- D. Managing Your Cash and Savings
 - 1. Cash Management
 - 2. Today's Financial Services Marketplace
 - 3. Menu of Cash Management Products
 - 4. Establishing a Savings Program
 - 5. Maintaining a Checking Account
 - 6. Reconciling Your Checking Account and Why That is Important
- E. Making Automobile and Housing Decisions
 - 1. Buying a Car
 - 2. Leasing a Car
 - 3. Buy or Rent Housing?
 - 4. Home Affordability Analysis
 - 5. The Home-Buying Process
 - 6. Financing Your Home
 - 7. Should I Refinance?
- F. Borrowing on Open Account
 - 1. Basic Credit Concepts
 - 2. Types of Open Account Credit
 - 3. Getting Approved and Managing Credit
 - 4. Using Credit Wisely
- G. Using Consumer Loans
 - 1. Basic Features of Consumer Loans
 - 2. Managing Your Credit
 - 3. Single-Payment Loans
 - 4. Tracking Your Consumer Debt
 - 5. Installment Loans
 - 6. To Borrow or Not To Borrow?

- H. Insuring Your Life
 - 1. Basic Insurance Concepts
 - 2. Why Buy Life Insurance?
 - 3. How Much Life Insurance is Right for You?
 - 4. What Kind of Policy is Right for You?
 - 5. Buying Life Insurance
 - 6. Key Features of Life Insurance Policies
- I. Insuring Your Health
 - 1. Why Health Insurance Coverage is Important
 - 2. Insurance Health Plans
 - 3. Health Insurance Decisions
 - 4. Medical Expense Coverage and Policy Provisions
 - 5. Health Insurance Checklist
 - 6. Long-Term Care Insurance
 - 7. Disability Income Insurance
- J. Investment Planning
 - 1. Objectives and Rewards of Investing
 - 2. Securities Markets
 - 3. Buying and Selling Investments
 - 4. Where May I Get Investment Information I Can Trust?
 - 5. Online Investing
 - 6. Managing Your Investments
- K. Investing in Stocks and Bonds
 - 1. Risks and Rewards of Investing
 - 2. Investing in Common Stock
 - 3. Investing in Bonds
- L. Investing in Mutual Funds
 - 1. Mutual Fund Basics
 - 2. Types of Funds and Fund Services
 - 3. Making Mutual Fund Investments
- M. Planning for Retirement
 - 1. Overview of Retirement Planning
 - 2. Estimating Your Retirement Needs

3. Social Security
4. Pension Plans and Retirement Programs
5. Annuities
- N. Preserving Your Estate
 1. Principles of Estate Planning
 2. The Will and Why It is Important
 3. What to Put in Your Safe-Deposit Box
 4. Trusts
 5. Federal Unified Transfer Taxes
 6. Calculating Estate Taxes

IV. INSTRUCTIONAL PROCEDURES

- A. Lectures
- B. Class Discussion
- C. Case Studies (worksheet-based using Excel or XTRA!)
- D. Homework Assignments
- E. In-class exercises

V. RESPONSIBILITIES OF THE STUDENT:

- A. Read assigned materials
- B. Solve assigned problems using copy of Excel worksheet provided or in Xtra!
- C. Complete course project

VI. EVALUATION

- A. Grading components and scale

The various course assignments will count in the following percentages toward the final course grade:

Examinations (4)	66.6%	400 points
Course project	16.7%	100 points
Homework Assignments	16.7%	100 points

→ **600** total points

Note: Assignments use either Excel worksheets available on my web site or using Xtra! software, which comes with the paperback custom edition of the textbook.

Grades will be based on the following scale:

<u>Percentages:</u>	<u>Grade:</u>	<u>Minimum Points Required:</u>
92-100	A	552
90-91	A-	540
87-89	B+	522
83-86	B	498
80-82	B-	480
77-79	C+	462
73-76	C	438
70-72	C-	420
67-69	D+	402
63-66	D	378
60-62	D-	360
Less than 60	F	-----

B. Grade release policy

Grades will not be released to any person other than the student, nor will grades be released over any communication device. Furthermore, grades will not be shared with students except when assignments and exams are returned to the class. Thank you for understanding the professor's dilemma.

- C. Examinations 66.7%: Two or three examinations will be given during the semester, plus a final exam at the end of the term, and these must be taken at the announced times. **Examinations not taken at designated times will receive a score of 0 unless the student pre-notifies the instructor of the reason for absence and gets instructor approval for that miss.** If student gets instructor pre-approval, the following policy is implemented: No make-up exam will be given; rather, the other exams will count extra to compensate. Any student missing two exams will be asked to drop the course or receive a 0 for one of those exams, regardless of the reasons for the misses. Again, if the student is unable to take the scheduled exam s/he must notify the instructor **prior** to the test date and get the instructor's approval.

D. **Course Project 16.7%:** Application of tools, techniques, and concepts learned in the classroom is crucial. This involves Biblical faith integration.

IT IS ASSUMED THAT STUDENTS WILL MAINTAIN AN ELECTRONIC COPY OF THE PROJECT.

E. **Worksheet Assignment Homework 16.7%:** Items included in consideration are numerical values correctly done using worksheets for the assigned problems.

The case method and worksheet completion both lend themselves very well to real-world application.

VII. ATTENDANCE POLICY

Class attendance will be important. A student coming to class 10 or more minutes late or leaving 10 or more minutes early will be considered absent. Coming in after roll is called and before 10 minutes late counts as ½ absence, but since roll will already have been called, *you must check with me at the end of that class* to ensure you are not counted absent. More than five absences may result in a one-letter grade reduction in the course grade; any student missing more than eight classes will not receive credit for this course.

VIII. OFFICE INFORMATION

- A. Office Hours: Mon 12pm-1 pm and 4:15-5:00 pm;
Wed 4:15-5 pm;
Fri 12-2 pm;
TT by appointment.
- B. Location: Mitchell Hall, 200A (second floor).
- C. Telephone: Office: 330-471-8190 (leave voice mail if no answer)
Email: (send to both) jzietlow@malone.edu and jzietlow@aol.com
Web pages: Online Syllabus, Course Schedule, Handouts, and
Important - Helpful homework guidance and Excel worksheets:
<http://www.johnzietlow.com> (then click on Personal Finance)

IX. 504 STATEMENT:

Malone University is committed to the provision of reasonable accommodations for students with disabilities, as defined in Section 504 of the Rehabilitation Act of 1973. If you believe you may qualify for these accommodations, notify your instructor immediately.

X. ACADEMIC INTEGRITY:

As a Christian community of scholarship, we at Malone University are committed to the principles of truth and honesty in the academic endeavor. As faculty and students in this Christian community, we are called to present our academic work as an honest reflection of our abilities; we do not need to defraud members of the community by presenting others' work as our own. Therefore, academic dishonesty is handled with serious consequences for two fundamental reasons: it is stealing – taking something that is not ours; it is also lying – pretending to be something it is not. In a Christian community, such pretense is not only unnecessary, but it is also harmful to the individual and community as a whole. Cheating should have no place at a campus where Christ is king because God desires us to be truthful with each other concerning our academic abilities. Only with a truthful presentation of our knowledge can there be an honest evaluation of our abilities. To such integrity, we as a Christian academic community are called. Any papers or projects may be turned into www.turnitin.com for plagiarism checking. *(Source: Modified from the Lee University Academic Integrity Policy)*

"Inasmuch as electronic devices pose a serious risk to academic integrity, and because mobile phones are disruptive to the learning environment, the instructor reserves the right to control the use of all electronic devices in class (phones, pda's, calculators, etc.). Students are not permitted to use mobile phones, pda's or other devices for sending/receiving calls and/or text messages during class. Students are asked to switch all such devices to "off" at the beginning of each exam period. Under no circumstances will students turn on electronic devices or keep them on during tests or quizzes. Students who send/receive text messages during an exam, engage in any kind of communications activity which threaten the integrity of the test environment, or photograph on electronic devices test materials or other materials the instructor deems inappropriate for copy are subject to failure in the course at the discretion of the instructor." *(Source: Modified from the Southwestern Assemblies of God University Policy)*

Note: All exams are "closed book, closed notes," and all exams and assignments are to be done individually. You may email other students for help if you cannot locate an item on the study guide.