

CHAMINADE UNIVERSITY

COURSE SYLLABUS

COURSE TITLE: Finance 213, Personal Finance
TERM: August 31, 1998 - December 18, 1998
TIMES: Monday, Wednesday and Friday, 8:00-8:50
INSTRUCTOR: Caryn Callahan, Ph.D.

OFFICE HOURS: By Appointment
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COURSE DESCRIPTION

An overview of personal and family financial planning. **Topics will** include, but not be limited to **financial** budgeting, tax planning, consumer credit, purchasing decisions, housing, insurance, investments and retirement and estate planning.

OBJECTIVES

The main objectives of this course are to:

- Provide the student with the informational and decision-making tools needed to implement a successful personal **financial** plan.
- 2) Equip the student with the skills to understand and evaluate the criteria for making choices about spending, saving, borrowing and investing.
- 3) Prepare the student for further study in the field of business.

TEXTBOOK AND ASSIGNMENTS

Reading assignments will be taken from the assigned textbook and, occasionally, from supplementary material. Our textbook is Personal Finance, Kapoor, Dlabay and Hughes, Irwin, Fourth Edition, 1996.

GRADING

Midterm Examination	35%
Final Examination	35
Group Case	15
Weekly Case Write Up (15 Write Ups)	15

MIDTERM AND FINAL (35% EACH)

There will be an in-class midterm and final, each counting for 35% of the grade. The **exam** will include objective questions and short essays based on the text.

BRIEF WEEKLY CASE WRITE UPS (15%)

Each week, students will choose one of the end-of-chapter cases listed in the syllabus and submit written answers to the case questions on Friday of the relevant week.

- * Your paper should be about one page in length.

These write-ups are graded on a **pass/fail** basis.

- * Your paper must be submitted each week on Friday. Since we will discuss the assigned cases in class every Friday, late submissions will not be accepted.
- * During the semester, there are fifteen weekly case assignments, and each one is worth one point.

COMPREHENSIVE CASE WRITE UP

Our textbook contains a "continuous case," dealing with the financial decisions made by a fictitious character, Pam Jenkins, from age 22 when she graduates from college until age 48 when she herself has children in college. Components of this continuous case can be found at the end of the following chapters:

Ch. 4 (P. 114) "Getting Started: Planning for the Future," (Age 22)
Ch. 7 (p. **213**) "Using Financial Services: Savings, Checking, and Credit" (Age 26)
Ch. 10 (p. 298) "Spending Patterns for Financial Security," (Age 30)
Ch. 14 (p. 402) "Managing Risks for Effective Financial Planning," (Age 36)
Ch. 19 (p. 540) "Building an Investment Program," (Age 45)
Ch. 21 (p. 602) "**Planning for Tomorrow,**" (**Age 48**)

Each student will join a team to prepare and present three of the assigned cases. Your team's presentation should be about 5-10 minutes in length. Each team will be responsible for writing up and submitting a case analysis and answers to end-of-case questions. These are to be submitted on the day of your case presentation. Please rehearse your presentation to ensure that it flows smoothly and fits into the allocated time span. (See the attached document, "How to Write an Abbreviated Case Analysis.")

Team 1 will be responsible for the following three Cases:

Friday, Sept. 11: "Getting Started: Planning for the Future," Ch. 4 (p. 114)
Friday, October 9: "Spending Patterns for Financial Security," Ch. 10 (p. 298)
Wednesday, November 25: "Building an Investment Program," Ch. 19 (p. 540)

Team 2 will be responsible for the following three Cases:

Fri., Sept. 25: "Using Financial Services: Savings, Checking, and Credit," Ch 7, 213
Friday, Oct. 30 "Managing Risks for Effective Financial Planning," Ch. 14 (p. 402)
Friday, **Dec. 11:** "Planning for Tomorrow," **Ch. 21 (p. 602)**

1998 **SCHEDULE AND ASSIGNMENTS**

FINANCE 213, PERSONAL FINANCE

WEEK #1, Sessions #1, #2 and #3

Monday, August 31; Wednesday, September 2; and Friday, September 4.

- * **Assignment:** Chapter 1, "Personal Financial Planning: An Introduction"
Chapter 2, "Personal Career Strategies"
 - * **Submit answers to one of these cases on Friday.** No late papers accepted.
 - "Triple Trouble for the Sandwich Generation," Chapter 1, p. 27.
 - "Maternity Leave for Margo," Chapter 1, p. 27.
 - "Wise Career Choices," Chapter 2, p. 55.
 - "Ellen's Entrepreneurial Endeavor," Chapter 2, p. 55.
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WEEK #2, Sessions #4 and #5; Wednesday, September 9 and Friday, September 11
MONDAY, SEPTEMBER IS A HOLIDAY, LABOR DAY

- * **Assignment:** SKIP: Chapter 3, "Money Management Strategy"
DO: Chapter 4, "Planning Your Tax Strategy"
 - * **Submit answers to one of the following cases on Friday.** No late papers accepted.
 - "A Single Father's Tax Situation," Chapter 4, p. 113.
 - "Tax Time for Lucille," Chapter 4, p.113.
 - * **Friday, September 11: Group 1 Case Presentation: "Getting Started: Planning for the Future," Chapter 4, p. 114**
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WEEK #3, Sessions #6, #7, #8;

Monday, September 14; Wednesday, September 16 and Friday, September 18

- * **Assignment:** Chapter 5, "The Banking Services of Financial Institutions"
 - * **Submit answers to one of the following cases on Friday.** No late papers accepted.
 - "Checking Out Financial Services," Chapter 5, p. 146.
 - "Rate of Return Versus Liquidity," Chapter 5, p. 146.
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WEEK #4, Sessions #9, #10 and #11

Monday, September 21, Wednesday, September 23 and Friday, September 25

- * **Assignment:** Chapter 6, "Introduction to Consumer Credit"
Chapter 7, "Choosing a Source of Credit"
- * **Submit answers to one of these cases on Friday.** No late papers accepted.
 - "The Squeeze on Barry's Debit Card," Chapter 6, p. 177.
 - "Susan's Lower-Interest Rate Credit Card," Chapter 6, p. 177.
 - "Financing Sue's Geo Metro XF1," Chapter 7, p. 206.
 - "Shirley's Buying Options," Chapter 7, p. 207.
- * **Friday, September 25: Group 2 Case Presentation: "Using Financial Services: Savings, Checking, and Credit" Ch. 7, p. 213.**

WEEK #5, Sessions #12, #13 and #14

Monday, September 28, Wednesday, September 30 and Friday, October 2

- * Assignment: Ch. 8, "Consumer **Purchasing Strategies** and Legal Protection"
 - * Submit answers to one of the following cases on Friday. No late papers accepted.
 - "Making Marketplace Decisions," Chapter 8, p. 239.
 - "Double **Deception**," **Chapter 8, p. 239.**
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WEEK #6, Sessions #15, #16 and #17

Monday, October 5, Wednesday, October 7 and Friday, October 9

- * Assignment: Chapter 9, "The Finances of Housing"
Chapter 10, "Transportation Options and Costs"
 - * Submit answers to one of the following cases on Friday. No late papers accepted.
 - "Housing Decisions," Chapter 9, p. 270.
 - "Move or Remodel?" Chapter 9, p. 270.
 - "On the Road Again!," Chapter 10, p. 297.
 - "Lease or Own?" Chapter 10, p. 297.
 - * Friday, October 9: Group 1 Case Presentation: "Spending Patterns for Financial Security," Ch. 10, p. 298
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WEEK #7, Sessions #18 and #19

Wednesday, October 14 and Friday, October 16

MONDAY IS A HOLIDAY, COLUMBUS DAY

- * Assignment: Chapter 11, "Personal Risks and Insurance"
- * Submit answers to one of the following cases on Friday. No late papers accepted.
 - "The Importance of Planning Ahead," Chapter 11, p. 321.
 - "Buying Adequate Insurance Coverage," Chapter 11, p. 321.

REVIEW FOR MIDTERM

WEEK #8, Sessions #20, **#21 and #22**

Monday, October 19, Wednesday, October 21 and Friday, October 23

Monday, October 19: MIDTERM EXAMINATION

- * Assignment for this week: Chapter 12, "Home and Automobile Insurance"
- * Submit answers to one of the following cases on Friday. No late papers accepted.
 - "Are We Covered?" Chapter 12, p. 344.
 - "So You Claim," Chapter 12, p. 344.

WEEK #9, Sessions #23, #24 and #25

Monday, October 26, Wednesday, October 28 and Friday, October 30

- * Assignment: Chapter 13, "Health Care and Disability Insurance"
Chapter 14, "Life Insurance"
 - * Submit answers to one of the **following** cases on Friday. No late papers accepted.
 - "Arbitration Versus Litigation," Chapter 13, p. 374.
 - "Maternity Health Coverage for Parents-To-Be," Chapter 13, p. 375.
 - "Pam's Stage One," Chapter 14, p. 401.
 - "Identifying the Need For and Amount of Life Insurance," Ch. 14, p. 401.
 - * Friday, October 30: Group 2 Case Presentation: "Managing Risks for Effective Financial Planning," Ch. 14 (p. 402)
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WEEK #10, Sessions #26, #27 and #28

Monday, November 2, Wednesday, November 4 and Friday, November 6

- * Assignment: Chapter 15, "Fundamentals of Investing"
 - * Submit answers to one of the following cases on Friday. No late papers accepted.
 - "How Can You Leave the Rat Race and Retire Early?" Chapter 15, p. 434.
 - "What Should She Do Next?" Chapter 15, p. 435.
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WEEK #11, Sessions #29 and #30

Monday, Nov. 9; Friday, Nov. 13 (Wednesday is a HOLIDAY, Veteran's Day)

- * Assignment: Chapter 16, "Investing in Stocks"
- * Submit answers to one of the following cases on Friday. No late papers accepted.
 - "One Stockholder's Dilemma," Chapter 16, p. 470.
 - "Research Information Available from Moody's and Value Line," Ch. 16, 471.

WEEK #12, Sessions #31, #32 and #33

Monday, November 16, Wednesday, November 18 and Friday, November 20

- * Assignment: Chapter 17, "Investing in Bonds"
Chapter 18 "Investing in Mutual Funds"
- Submit answers **to** one of **the following** cases on **Friday**. No late papers accepted.
 - "Are Higher Yields on Corporate Bonds Worth the Added Risk?" Ch. 17, p. 495.
 - "Research Information Available from Moody's Industrial **Manuals**," Ch 17, 496.
 - "A Mutual Fund for Everyone," Chapter 18, p. 518.
 - "Global Investments: Should You Take the Plunge?" Chapter 18, p. 435.

WEEK #13, Sessions #34 and #35

Monday, November 23 and Wednesday, November 25

FRIDAY IS A HOLIDAY, THANKSGIVING BREAK

- * Assignment: Chapter 19, "Real Estate and Other Investment Alternatives"
 - * Submit answers to one of these cases on Wednesday. No late papers accepted.
 - "Investing in Indium," Chapter 19, p. 539.
 - "Bogus Brushstroke: Art Fraud," Chapter 19, 539.
 - * Wednesday, November 25: Group 1 Case Presentation: "Building an Investment Program," Ch. 19 (p. 540)
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WEEK #14, Sessions #36, #37 and #38

Monday, November 30, Wednesday, December 2 and Friday, December 4

- * Assignment: Chapter 20, "Retirement Planning"
 - * Submit answers to one of the following cases on Friday. No late papers accepted.
 - "Living the Good Life in Retirement," Chapter 20, p. 575.
 - "Helen's Plans for Retirement," Chapter 20, 575.
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WEEK #15, Sessions #39, #40 and #41

Monday, December 7, Wednesday, December 9 and Friday, December 11

- * **Assignment:** Chapter 21, "Estate Planning"
- * **Submit** answers **to** one **of the** following **cases on Friday**. **NO late papers accepted.**
 - "Estate Planning for Kurt and Christine," Chapter 21, p. 601.
 - "Retirement and Estate Planning for a High-Income Family," Chapter 21, 601.
- * **Fri., Dec. 11:** Group 2 Case Presentation: "Planning for Tomorrow," Ch. 21, 602

MONDAY, DECEMBER 14, **FINAL EXAM**, 10:30 - 12:30?