



**DEPARTMENT OF BUSINESS
COURSE OUTLINE – FALL 2012**

BA2700 UT FUNDAMENTALS OF PERSONAL FINANCE – 3(3-0-0) 45 HOURS

Instructor	Carly McLeod	Phone	(780)539-2946
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Office Hours	Tuesday and Thursday 10 – 11:20am or by appointment		

Prerequisite(s)/corequisite(s):

BA1050 or consent of the instructor

Required Text/Resource Materials: Madura, J.; Gill, H.S., *Personal Finance*, Second Canadian Edition. Pearson Canada, 2012

Description:

The communication techniques and relationship skills, as well as the psychological characteristics that influence client behaviour are topics in this course. The course covers financial statement preparation and analysis from a personal perspective, and the cash and debt management that flows from these statements. This course reviews time value of money and economic concepts applicable to the principle subject areas of financial planning

Credit/Contact Hours: This is a 3 credit course with 3 lecture hours per week.

Delivery Mode(s):

For each topic listed, there will be a classroom lecture/discussion and a demonstration of related procedures. I will assign relevant textbook readings and problems and test your knowledge, understanding and application of the material.

Objectives:

Upon completion of this course the student will be able to:

- Plan with personal financial statements
- Use tax concepts for planning
- Manage your liquidity
- Understand personal financing
- Protect your wealth
- Understand personal investing
- Retirement and estate planning

Transferability:

AU. Students can also refer to the Alberta Transfer Guide at <http://www.acat.gov.ab.ca> for a list of institutions. Students are however *strongly advised* to check with the receiving institution for more details and to ensure transferability

Grading Criteria:

Professionalism	5%
Project	20%
Quizzes	20%
Midterm	25%
Final Examination	<u>30%</u>
Total	100%

Assignments, Quizzes, and Exam Policy:

- Assignments will be handed in at the beginning of class on the due date. The penalty for late submission will be 10% per day.
- Quizzes will be given throughout the year. It is anticipated that there will be four quizzes. All of which will be given in class.
- **No rewrites will be given on missed quizzes or midterms. If there is an excusable absence the weighting of the missed quiz/exam will be added onto the final exam weighting.**
- Calculators and approved translation devices are the only electronic devices allowed during quizzes, tests or examinations.
- Final examinations will be scheduled by the Registrar

Student Responsibilities:

Professionalism:

Each student is expected to come to class on time. Arriving late is disruptive to the entire class. The expectation for this course is that students have read the material and attempted the exercises and problems we will cover in class. Reading and practicing problems prepares you for classroom activities.

Cell Phones:

The use of cell phones during class time is unprofessional and distracting to the instructor and fellow students. Texting during class is therefore strictly prohibited. Cell phones must be either turned off or set to silent mode

Statement on Plagiarism:

Plagiarism will not be tolerated and, as such, any submitted work may be investigated for this possibility. Please ensure you read and understand the College's policy on plagiarism as published in the 2011/2012 Calendar. If you have questions on whether or not you might be violating this policy, please discuss this with your instructor before you submit your assignment.

Grades will be assigned on the Letter Grading System.

**Business Administration and Commerce Department
Grading Conversion Chart**

Alpha Grade	4-point Equivalent	Percentage Guidelines	Designation
A+	4	90 – 100	EXCELLENT
A	4	85 – 89	
A-	3.7	80 – 84	FIRST CLASS STANDING
B+	3.3	76 – 79	
B	3	73 – 75	GOOD
B-	2.7	70 – 72	
C+	2.3	67 – 69	SATISFACTORY
C	2	64 – 66	
C-	1.7	60 – 63	
D+	1.3	55 – 59	MINIMAL PASS
D	1	50 – 54	
F	0	0 – 49	FAIL

Course Schedule/Timeline:

<u>Week</u>	<u>Topic</u>	<u>Required Reading</u>
September 8	Introduction	
September 12	Overview of the Financial Plan Applying Time Value Concepts	Chapter 1 and 2
September 19	Planning with Personal Financial Statements	Chapter 3
September 26	Using Tax Concepts for Planning	Chapter 4
	Quiz #1	
October 3	Banking Services and Managing your Money	Chapter 5
	Assessing, Managing and Securing your Credit	Chapter 6
	Quiz #2	
October 10	Personal Loans	Chapter 7
October 17	Purchasing and Financing a Home	Chapter 8
	Midterm Chapters 1-8	
October 24	Auto and Homeowners Insurance	Chapter 9
October 31	Health and Life Insurance	Chapter 10
	Quiz #3	
November 7	Investing Fundamentals	Chapter 11
November 14	Investing in Stocks	Chapter 12
November 21	Investing in Bonds; Investing in Mutual Funds	Chapter 13 and 14
	Quiz #4	
November 28	Retirement Planning	Chapter 15
December 5	Estate Planning	Chapter 16

This Project is worth 20% of your final mark

The Personal Finance project will involve creating a thorough analysis of your current financial position as well as you goals for the future. The Project will include all of the following.

- 1) Financial Plan:
 - a) Explain your financial goals – Set specific, measurable, and realistic goals. Classify goals as short, medium, or long term.
 - b) Evaluation of current financial position – Assess income, expenses, assets, and liabilities.
 - i) Assess your income and expenses based on a “normal” month.
 - ii) For example, September would not be considered a “normal” month, as your expenses would be unusually high due to the start of school. However; in your budget remember to account for unexpected/unusual expenses.
 - iii) Include a detailed two week record of your expenses.
 - c) Identify and evaluate alternative plans that could help you achieve your goals.
 - d) Select and explain the best plan for achieving your goals.
- 2) Personal Cash Flow Statement
- 3) Budget
- 4) Net Worth Statement
- 5) Banking Services Analysis
 - a) Compare your current bank with 3 other banks (information about rate plans is available on banks website) Example on page 130 of text.
 - b) What is your decision regarding important characteristics of a financial institution?
 - c) What is your decision regarding the optimal financial institution?
- 6) Credit Report:
 - a) Contact a credit bureau to request a copy of your credit report – If you mail in your request, it is free.
 - b) <http://www.equifax.com/ecm/canada/EFXCreditReportRequestForm.pdf>
 - c) http://www.transunion.ca/docs/personal/Consumer_Disclosure_Request_Form_en.pdf
 - i) You must submit the report as part of your assignment, however, you may cover up any and all information that you wish to remain private.
 - d) Explain why a review of your credit report is beneficial.
 - e) Explain what you can do to improve your credit standing.
- 7) Life Insurance
 - a) Assess your current need for life insurance.
 - i) How would your decision regarding purchasing life insurance be affected if you were 35 year old? If you were 50 years old?
- 8) Future Investment Goals:
 - a) Explain your future investment goals.
 - b) Determine the types of investments that would achieve your goals.
- 9) Summary/Reflection
 - a) Explain how this assignment has impacted your view of your finances.
 - b) What if any changes are you going to make?