A. Course: 37:575:250:05 Finance for Personal and Professional Success

TENTATIVE SYLLABUS. SUBJECT TO CHANGE.

Instructor: Mary Evans

Email ID: mevans@work.rutgers.edu

NOTE: For Emergencies No Phone calls/ text messages...please email me or you can let me know in class. In the subject of your email, please include your name, the course and the section. Please check your Rutgers email or Sakai online in cause of any class cancellations.

Office Hours: Prior to class by appointment, and immediately after classes

Pre-Requisite: None

Course Description: Overview of core financial concepts and techniques useful both at work and in personal life; interest, credit, insurance, investments, present value; and net worth

Relationship to SAS Learning Objectives:

- Goal x (Apply effective and efficient mathematical or other formal processes to reason and to solve problems.) Specifically the focus is on the mathematics underlying the process of investment, and borrowing/ saving money. The student will learn to apply concepts from algebra necessary to specify and solve equations related to loans, savings, mortgage, credit and insurance using compound interest.

- Goal w (Formulate, evaluate, and communicate conclusions and inferences from quantitative information)

Other Learning Objectives:

- Familiarize students with core concepts of interest, present value, risk, diversification, and insurance,
- Improve student skills in using spreadsheets and other tools in common use for analyzing financial information, and
- Introduce students to major types of financial instruments including stocks, bonds, mutual funds, and to investments in real estate.

Assessment of Learning Objectives: Project assessments will be used to evaluate these objectives.


NOTE: Although, there is a Fourth Edition: A copy of the 4e of the text is on reserve at the Chang Library on the Cook/Douglass Campus, it is only allowed to be borrowed for a max of 2 hours at a time. Also, there are 6 other sections of the course being given, do
not rely solely on the availability of the copy at the library. ORDER or RENT your own copy ASAP.

Third Edition/Version of the Text vs. Fourth/Fifth

Please note that if you choose to purchase the 3e of the text, there are significant differences. **The problems have changed in all chapters.** The content of the 3e and 4e appears to be the same except for one point. A new chapter had been added to Part 5, Personal Investing.

Thus, you may use the 3e of the text with the understanding that the numbering of the chapters, starting with Chapter 15, is decremented by one in the 4/5e of the text.

Per the following for example, the chapter on bonds is as follows:

Version 3  Version 4/5  
Ch. 17  Ch. 16

**International Edition** - Although the International version is much more affordable, you should NOTE that the international version will take much longer to be delivered, please make sure to order it WELL in advance. **DO NOT WAIT FOR THE FIRST WEEK OF CLASS!** It will take you over a month to receive it! You will need the text book immediately. ALSO, the questions in the International version may differ from the textbook used in class.

**Others** - MATLAB is not required. The CD is not needed.

### Text – Recommended (Optional):

**Required:** Statistical software in Excel 2003 (or higher) and the text CD are included in the course, which is required for homework, related cases, and team assignments. Reading assignments must be completed prior to each lecture. Communication Devices: No communication devices (cell phones, palm pilots, beepers, pagers, etc.) can be used in the classroom.

**Academic Integrity:** All students are responsible for locating, reading, and abiding by the University Policy on Academic Integrity for Undergraduate and Graduate Students. The policy is available on-line at [http://cat.rutgers.edu/integrity/policy.html](http://cat.rutgers.edu/integrity/policy.html)

**Recommendations:** Requests for recommendations must be made in writing after completion of the course.

**Communication:**
1. **NETID Needed**
   Rutgers uses the Sakai system. In order to use this system, you must have a NETID and PW. A NETID is an account on one of the main systems at Rutgers (Pegasus, Eden, Andromeda or RCI).
   - **If you have a NETID**, you can currently ensure that you will be able to login to the system.
2. **Sakai**
   To facilitate class learning, please access and print course documents needed for class from the course management system known as Sakai. Course documents are posted in folders under Resources.

   **Quick Start for Sakai:**
   [https://sakai.rutgers.edu/access/content/public/quickmember.html](https://sakai.rutgers.edu/access/content/public/quickmember.html)

   **Sakai website:**
   [http://sakai.rutgers.edu/portal](http://sakai.rutgers.edu/portal)

   If you do not see this course listed, then the site in likely in the “More” dropdown box to the right of your tabs. You can rearrange the order of your sites or hide sites from previous semesters by using the Preference tool in My Workspace and clicking on the “Customize Tabs” action button.

**Student E-Mail and Phone Numbers:**

a. A student can forward mail from his/her Eden/Pegasus address to a preferred e-mail address. Go to [http://www.eden.rutgers.edu/tools.php](http://www.eden.rutgers.edu/tools.php) and click on forwarding. Enter your NetID and PW. Then fill in your preferred e-mail address.

   **Cautions:** Hotmail has problems with e-mails with attachments. Also, some corporations spam e-mails with attachments.
   - If you have any problems, please contact your local RUCS helpdesk at help@nbcs.rutgers.edu

b. Students, also, have the responsibility to then inform the professor of any changes to their phone numbers (day and evening). Please use “375:755:250:05” in the Subject section to avoid being spammed. **Please sign your full name in all e-mail correspondence.**

c. Please check your e-mail regularly, especially on the day of class, to learn if there are any changes in the class schedule, class requirements, or for other general announcements.

**Study Groups:** Forming study groups will facilitate learning by keeping you focused, involved, and current in the course. In this type of course, Student who have formed study groups tend to do better than students who work alone. They have a better understanding of the material, can talk it over and catch mistakes that each person makes. I highly encourage you to form your own study group.

**Classroom Etiquette:** Common courtesy is expected at all times.

**Parking Impacts:** Special events may impact parking.

**University/Campus Closings:** 732-932-INFO (New Brunswick); [http://campusstatus.rutgers.edu](http://campusstatus.rutgers.edu)

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**Special Needs** – Rutgers, the State University of New Jersey abides by the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments (ADAA) of 2008, and Sections 504 and 508 which mandate reasonable accommodations be provided for qualified students with disabilities and accessibility of online information. If you have a disability and may require some type of instructional accommodation, please contact me early in the semester so that I can provide or facilitate in providing accommodations you may need. If you have not already done so, you will need to register with the Office of Disability Services, the designated office on campus to provide services for students with disabilities. The Office of Disability Services is located in the Kreeger Learning Center, 151 College
I look forward to talking with you soon to learn how I may be helpful in enhancing your academic success in this course.

**Assessments:** This class is hands-on and features assessment of projects and assignments, rather than a lecture course that uses exams to assess learning. Course assessment is calculated as a weighted average of the following projects.

**Grading:** Assessment:

Posting of Grades, [http://www.acs.rutgers.edu/grades](http://www.acs.rutgers.edu/grades)

**Assessment Policy:**

<table>
<thead>
<tr>
<th>Letter Grade</th>
<th>Scores Based on Course Components</th>
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</thead>
<tbody>
<tr>
<td>A</td>
<td>90-100</td>
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<tr>
<td>B+</td>
<td>85-89</td>
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<tr>
<td>B</td>
<td>80-84</td>
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<tr>
<td>C+</td>
<td>75-79</td>
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<tr>
<td>C</td>
<td>70-74</td>
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<tr>
<td>D</td>
<td>60-69</td>
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<tr>
<td>F</td>
<td>&lt; 60</td>
</tr>
</tbody>
</table>

Note: The thresholds for final letter grades will be re-scaled if a conventional standard seems unreasonable.

**In class quizzes = 5%**

- There will be a short 10 minute quiz given every 3 weeks in the middle of class, usually after a break.

- Quizzes will be taken from class material that has been covered in class only.

**Assignments and Projects= 40%**

All homework assignments are to be handed in via Sakai, using the **Assignments tab.**

*Do not put it in the Drop box, it will not be accepted and I will not look for it there.*

- If the assignment is late or past the closing date, please email it directly to me or your TA. Hardcopies are acceptable…but must be handed IN CLASS by the due date.

- **Penalty:** For every day that an assignment is late there is a 10% penalty that will accrue, with a max of one week. Submissions must be complete; no partial assignments can be submitted. Please save your assignments to a Cloud, email it to yourself or save it to your brief case (instructions are included in resources). Broken or lost USBs, laptops are not acceptable excuses.
Assignments usually have multiple weeks before they are due, it is important that you are able to plan ahead.

- There will be various projects assigned, some of which may be group presentations, online trivia, etc...

- Cheating or copying from another student’s answers will result in a ZERO for both involved. It is taken VERY seriously.

- Working or studying together does not constitute as cheating as long as all work is original and not duplicated, where assignments indicate. All names of group members or who you worked with must be added to the assignment and a note explaining the division of work or how the task was performed.

- Uploading or downloading course answers/materials/etc… or someone else’s work from previous semesters is Plagiarism and considered cheating. Resulting in a Zero.

- **Participation and Attendance =5%**

  **NOTE:** Active participation is critical. This is PERSONAL finance; it involves a person being present and actively involved in the discussions.

  - Cell phones, Texting, blogging, Twitter, Tumblr, Flickr, Facebook, Google+, etc… are not permitted. All devices must be turned off at the beginning of class. In case of emergency, please leave the room to make or take a call.

  - Participation in exercises and discussions are highly valued and will affect the overall grade.

  - In case of absences, student should self-report their absence and email me as well as the TA. There is a max of 2 excused absence per semester, per course.

  **NOTE:** There will be many in class group exercises. In-Class Group work are to be done in class and handed in, with all work shown or no credit will be given (e.g. formulas used or rational explanation…In other words, what did you do to get that answer?). In-Class Group work answers can be the same. You must include your group member’s names on your paper or points will be taken off for the entire group.

  - **Guest speaker summary and assignment= 10%**

There will be approximately 4 to 6 guest speakers, throughout the semester. Your attention is crucial. You will have a chance to ask questions and network. No cell phones, laptops or texting. It is considered extremely rude.

**NOTE:** Guest speaker appearances are usually unannounced.
Note: A summary is due for each guest speaker. It must demonstrate listening skills and what you learned from them. (e.g. what did you learn from the guest speaker that you did not know before? Who are they, what do they do? What was interesting or not? Did it help you in anyway? What might you also want to know?) It can be 2 paragraphs maximum. Summary must be handed in at the end of class the same day as the speaker’s appearance.

- PROJECTS=15%

- There will be various projects assigned throughout the semester, some of which may be group presentations, online trivia, etc…

- A 5 minute presentation will be made each week by a group of students on a topic relating to Finance. Topics should be of interest to you. No group can present the same or similar topics as previous groups before them. As a courtesy, the presenting group should bring in a small snack for the class to share.

- Personal Financial Plan= 25%

Students are expected to develop their own Personal Financial Plan throughout the semester. This will be ongoing and highly individual to each person. It should be extremely thorough and well planned.
**Assignments Overview**

**NOTE:** All Assignments and their related documents can be found under the Assignment Tabs in Sakai.

<table>
<thead>
<tr>
<th>Assignment #</th>
<th>Components (Note: Please go to Sakai, under Resources, for the Assignments for the Excel document delineating the specifics of these assignments.)</th>
<th>Target Due Date</th>
<th>Weight (%)</th>
</tr>
</thead>
</table>
| Assignment 1 | 1) Selected Homework Problems, Chapters 1, 2, 3, 4, & 5  
2) Case Studies, Part 1  
3) Out of Pocket chart                                                                                                         | September 25   |            |
| Assignment 2 | 1) Selected Homework Problems, Chapters 6, 7, & 9, 10  
2) Case Studies, Part 2  
3) Frequency chart                                                                                                              | October 23     |            |
| Assignment 3 | 1) Selected Homework Problems,  
2) Case Studies, Part 3  
3) Pareto chart and statement                                                                                                        | November 20th  |            |
| Assignment 4 | 1) Personal Financial Plan                                                                                                                                                                     | Dec 11         |            |

**In-Class Literacy Assessment (last day of class)**

For any non-working websites, please first check Yahoo and/or Google as alternatives. Otherwise, please e-mail me.
<table>
<thead>
<tr>
<th>Target Week</th>
<th>Proposed Chapter Series</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 4th</td>
<td><strong>In-Class Projects: Ethical Dilemma, films, etc.</strong></td>
</tr>
</tbody>
</table>

Notes: Guest lecturers may result in modifications to the schedule. As a courtesy to our guest lectures, please turn off all laptops and communication devices.

<table>
<thead>
<tr>
<th>#1 September 4th</th>
<th>Syallabus, Course expectations, layout</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chapter 1 (Overview of a Financial Plan); Excel</strong></td>
<td></td>
</tr>
<tr>
<td>• Components and Developing a Financial Plan</td>
<td></td>
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<tr>
<td>• Excel spreadsheets, graphics and financial applications</td>
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<tr>
<td>• Pre-Assessment of Financial Literacy</td>
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<tr>
<td><strong>goal setting (short-term, intermediate-term, and long-term)</strong></td>
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<tr>
<td>In class:</td>
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<tr>
<td>• Bucket List</td>
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<tr>
<td><strong>PFP Project: Vision Board project</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>#2 September 11</th>
<th>Chapter 2 (Planning with Personal Financial Statements); and 4 (Using Tax Concepts for Planning)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Factors that affect cash flows; creating a budget,</td>
<td></td>
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<tr>
<td>Discussion of tradeoffs regarding: What’s it worth to reduce my spending and understanding the Latte Factor</td>
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<tr>
<td>• <strong>Introduce Out of Pocket tracking project</strong></td>
<td></td>
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<tr>
<td>• Savings Plan, Cash inflow/Cash outflow, Balance Statements</td>
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<tr>
<td>• Pick Group members and dates of presentations</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>#3 September 18</th>
<th>Chapters 3 (Applying Time Value Concepts)</th>
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<tbody>
<tr>
<td>• Future and present value of a single dollar amount</td>
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<tr>
<td>• Future and present value of an annuity</td>
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<tr>
<td>To be a millionaire, how long would it take with different rates of savings and rates of return, etc.</td>
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<tr>
<td>. Research Project: Bank comparison of your area</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>#4 September 25</th>
<th>Chapters 5 (Banking and Interest Rates) and 6 (Managing Your Money)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Types of financial institutions and their banking services; Interest rates; Money market investments and their risk</td>
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<tr>
<td>• <strong>How to choose a bank, with given minimum deposits, balances, monthly fees, check-writing charges?</strong></td>
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<tr>
<td>• <strong>How do you evaluate choosing between two CDs?</strong></td>
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<tr>
<td>• <strong>How much do you need to save to purchase a car?</strong></td>
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<tr>
<td>• <strong>How should you plan to purchase a condo?</strong></td>
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</tr>
<tr>
<td><strong>Assignment 1 Due - All course projects must be posted on the Sakai by 11:59:59 PM. Paper copies are to be submitted in class. Late submissions must be emailed to me afterwards</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>#5 October 2</th>
<th>Chapters 7 (Assessing and Securing Your Credit) and 8 (Managing Your Credit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Credit cards; dealing with credit debt</td>
<td></td>
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<tr>
<td>• <strong>Evaluate your preparedness to defend against identity theft</strong></td>
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<tr>
<td><strong>Identity theft assessment</strong></td>
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<tr>
<td><strong>Annual credit report</strong></td>
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<thead>
<tr>
<th>#6 October 9</th>
<th>Chapters 9 (Personal Loans) and 10 (Purchasing and Financing a Home)</th>
</tr>
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<tbody>
<tr>
<td>• Evaluation of personal loans, auto loans and 30-year mortgages</td>
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<tr>
<td>• Evaluate what you can afford to borrow to finance the purchase of a home</td>
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<tr>
<td>• <strong>Valuation of a home</strong></td>
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</tbody>
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<table>
<thead>
<tr>
<th>#</th>
<th>Date</th>
<th>Chapter(s)</th>
<th>Course Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>#7</td>
<td>October 16</td>
<td>Chapters 11 (Auto and Homeowner’s Insurance) and 12 (Health and Disability Insurance)</td>
<td>Managing risk; factors that affect auto insurance premiums; homeowner’s and renter’s insurance</td>
</tr>
<tr>
<td></td>
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<td></td>
<td><em>What insurance should I have?</em></td>
</tr>
<tr>
<td>#8</td>
<td>October 23</td>
<td>Chapters 13 (Life Insurance) and 14 (Investing Fundamentals)</td>
<td>Types of life insurance and determining the amount of life insurance needed</td>
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<td></td>
<td>Types of investments; tradeoffs between return and risk</td>
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<td></td>
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<td></td>
<td><em>How much life insurance do I need?</em></td>
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<td></td>
<td><em>How do my investment decisions impact my wealth?</em></td>
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<td></td>
<td><strong>Assignment 2 Due</strong> - All course projects must be posted on the Sakai (Assignment tab) by 11:59:59 PM.</td>
</tr>
<tr>
<td>#9</td>
<td>October 30</td>
<td>Chapters 15 (Investing in Stocks) and 16 (Investing in Bonds) Chapters 17 (Investing in Mutual Funds)</td>
<td>Analyzing the firm’s annual report; industry analysis of stocks; stock valuation (Price-earnings method and price-revenue method)</td>
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<td>Stock Exchanges; purchasing or selling stocks; buying stock on margin and assessing performance of stock investments</td>
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<td></td>
<td><em>What stocks meet my criteria?</em> <em>How do I compare and contrast them?</em></td>
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<td></td>
<td><em>How do I assess analysts’ comments and earnings estimates?</em></td>
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<td>Types of bonds; valuing a bond; risk from investing in bonds; bond investment strategies</td>
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<td></td>
<td>Type of mutual funds; return and risk of a mutual fund</td>
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<td><em>How do the purchase of bonds impact my protecting of assets and income, as well as my retirement?</em></td>
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<td></td>
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<td><em>How do I select mutual funds that best meet my individual financial goals?</em></td>
</tr>
<tr>
<td>#10</td>
<td>November 6</td>
<td>Chapter 18 (Asset Allocation)</td>
<td>How diversification reduces risk; strategies for diversifying; asset allocation strategies; factors that affect your asset allocation decision</td>
</tr>
<tr>
<td></td>
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<td><em>Is my asset allocation conservative, moderate or aggressive?</em></td>
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<tr>
<td>#11</td>
<td>November 13th</td>
<td>Chapter 19 (Retirement Planning)</td>
<td>Social Security; employer-sponsored retirement plans (defined-benefit and defined-contribution plans)</td>
</tr>
<tr>
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<td>Retirement plans offered by employers; Keogh Plan, SEP, IRAs, etc.</td>
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<td><em>How do my savings decisions and what types of plan(s) contribute to impact my retirement?</em></td>
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<tr>
<td>#12</td>
<td>November 20th</td>
<td>Chapter 20 (Estate Planning)</td>
<td>Purpose of a will; estate taxes; trust, gifts, and contributions</td>
</tr>
<tr>
<td></td>
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<td><em>What key events and changes in my assets impact the review and change of my will?</em></td>
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<td></td>
<td><strong>In-Class Project</strong></td>
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<td><strong>Assignment 3 Due</strong> - All course projects must be posted on the Sakai by 11:59:59 PM.</td>
</tr>
<tr>
<td>#13</td>
<td>November 27th</td>
<td>HAPPY THANKSGIVING! NO Class.</td>
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<tr>
<td>#14</td>
<td>December 4th</td>
<td>Financial Literacy Assessment</td>
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<td>Chapter 21 (Integrating the Components of a Financial Plan)</td>
<td>Budgeting, managing liquidity; personal financing; protecting your assets and income; managing investments; retirement planning; maintaining your financial documents</td>
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<td><em>How can I further improve my financial health?</em></td>
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<tr>
<td>Date</td>
<td>Event</td>
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<tr>
<td>15 December 11th</td>
<td>PERSONAL FINANCIAL PLAN Due - All course projects must be posted on the Sakai by 11:59:59 PM.</td>
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