

**A. Course: 37:575:250:04 Finance for Personal and Professional Success (3)**

**B. Pre-Requisite:** None

**C. Meeting Times:** Tuesday, Friday 10:20am-11:40am

**Location:** Livingston Campus, Lucy Stone Hall Rm. B115

**D. 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

**E. E. Overarching Math Philosophy/Objectives Overview: Mathematics of Life**

Imagine that you are taking a vacation next year. You have many financial choices to make. How big is your vacation budget and how do you want to allocate it? The more money that you save now, the more you will have to spend on your vacation.

Now imagine that you are planning your financial future. You have many choices to make. How will you pay off your student loan? How much of your budget should be allocated to food and utilities? How much can you afford to spend on clothes? Should you buy a house? Should you buy a new car? What investments should you consider? When do you want to retire? All of these decisions require detailed planning.

~~Through~~ financial planning, prudent financial management, and careful spending can help you achieve your financial goals, which affect one's standard of living in the future.

The personal financial process enables you to understand a financial plan and to develop a personal financial plan. The simple objective of financial planning is to make the best use of your resources to achieve your financial goals. The sooner you develop your goals and a financial plan to achieve these goals, the easier it will be to achieve your objectives. Topics in personal finance include financial and career planning, budgeting, tax management, cash management, credit cards, borrowing, major expenditures, risk management, investments, retirement planning and estate planning.

Success in Life. A solid understanding of personal finance topics offers you an increased probability of success in facing the financial challenges, responsibilities and opportunities. Such successes might include: paying minimal credit costs, not paying too much in income taxes, purchasing automobiles at low prices, financing housing on good terms, buying appropriate and fairly priced insurance, selecting successful investments that match you needs, planning for a comfortable retirement, and passing on your estate with minimal transfer costs.

Mathematical models underlie all these financial analyses. The mathematics behind the time value of money can be applied to determining how much current savings will be worth in the future, or how to reach of goal of savings for a house or starting a business. If you were to win the lottery, should you take the lump sum or annual payments (annuity). If you have to invest, how do you know what is a good return? How does much does a credit card really cost? How much money do you need for retirement? Debt also grows through mathematical models. There are tax implications as well.

Critical thinking plays a major role in financial analysis, as there may be more than one way to accomplish a goal. For example, if one decides to reduce his/her housing expenses one can, for example, either move to a cheaper unit and/or take in a room-mate.

The measures of performance in this class will be referred to as authentic assessments. That is, student performance is evaluated based upon realistic life decision assignments, including

- a series of math problems,
- an ongoing case analysis,
- course projects, such as assessing a lease and managing stocks in the stock market; planning for retirement planning using the time value of money; finding the best bank to fit your needs,
- Excel application; one project applies the Pareto Principal (80:20 Rule) to tracking your frivolous expenditures (non-obligations of rent, insurance, etc.) using Excel.
- developing your personal financial plan.

This is in sharp contrast to the types of assessments based on multiple choice, short answer, etc. in a timed environment. Clearly this type of assessment will provide the student the same type of environment as s/he will have during his/her life.

**F. 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)

**LSER Objective** – Formulate, evaluate, and communicate conclusions and inferences from quantitative information about work

**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.

**G. Text - Required:** Madura, J., **Personal Finance**, Pearson-Addison/Wesley, 5e, 2013, ISBN 978-0-13-299434-7. The text is needed by the first week of class. I am unsure if the international version is equivalent. A copy of the 4e of the text is on reserve at the Chang Library (not the library in the LEC), next door to the CDL building.

**Text – Optional:** Dworsky, L. N., **Understanding the Mathematics of Personal Finance**, Wiley, 2009, ISBN 978-0-470-49780-7.

**H. Instructor:** Sheila M. Lawrence, Ph.D.

**I. Email ID:** [smlawren@rci.rutgers.edu](mailto:smlawren@rci.rutgers.edu)

**J. Phone:** 973-596-6425 - please call between 9 AM and 9 PM; (Please speak slowly, state the course # (575:250:04), spell your name, and give your phone number.) Please follow up with an e-mail message.

**K. Office Hours:** Prior to class by appointment and after class

**L. 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 and/or examination 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 and administer exams with accommodations for students with disabilities. Here are the particulars:

[Lucy Stone Hall](#), Livingston Campus, 54 Joyce Kilmer Ave., Suite A145, Piscataway, NJ 08854-8045

**E-mail Address:** [dsoffice@rci.rutgers.edu](mailto:dsoffice@rci.rutgers.edu) **Phone:** (848) 445-6800 • **Fax:** (732) 445-3388

I look forward to talking with you soon to learn how I may be helpful in enhancing your academic success in this course.

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

N. Notes	<b>Please read carefully.</b>		
	<b>Note 1:</b> Please go to Sakai to the Assignments Folder. There are four assignment folders: 1, 2, 3, and 4. All submissions must be typed, with your name on all pages.		
	<b>Note 2:</b> The in-class projects such as current events, summaries of guest speakers, are listed separately.		
	<b>Note 3:</b> You should not submit handwritten responses torn from the book.		
Exam #	Checklist for Course Exams	Target Due Date	Weight (%)
<b>Exam 1</b>  19%	Take Home Exam #1 Problems, Chapters 3, 4, & 5 Case, Part 1 - Chapter 4 (You serve as Gary's financial advisor). <b>Personal Financial Plan Worksheet, Chapters 1, 2 and 5 (3 files)</b>	Oct. 4	10  9
<b>Exam 2</b>  22%	Take Home Exam #2 Problems, Chapters 6, 7, & 9 Case, Part 2 - Chapters 8 and 10 Identity Theft Personal Financial Plan Worksheet, Chapter 8 Leasing Project and Copy of Lease (or Lease's Website) Pareto Analysis In-Class: Calculation; List of Categories; Confirm Transp. Example via Excel	Oct. 25	15  3 4 0
<b>Exam 3</b>  31%	Review Question in Chapter 11, Web Project, Life Expectancy, and Take Home Exam #3 Problems, Chapters 14 and 16 Free Credit Report (Web-based; submit confirmation only) Case, Part 3 - Chapter 13  Stock Market Project (Start tracking Day 1 of Class; End the Week before Due Date) Pareto Analysis - Conduct Self Study Personal Financial Plan Worksheet, Chapter 14	Nov. 15	14  4 10 3
<b>Exam 4</b>  14%	Take Home Exam #4 Problems, Chapters 17 and 19 Case, Part 4 - Chapters 18 and 20	Dec. 10	14
<b>In-Class Projects - Must Be Present</b>  14%	In-Class Literacy Assessment ( <b>Must be present in class</b> )  In-Class Current Events ( <b>Sign up for date for group activity</b> ) In-Class Summary of Two Most Important Topics Learned in Class ( <b>Must be present in class</b> ) In-Class Summaries of Guest Speakers ( <b>Must be present in class</b> )		4  3 3 4
<b>Total</b>	<b>Note:</b> For any non-working websites, please first check Yahoo and/or Google as alternatives. Otherwise, please e-mail me.		<b>100</b>

<b>O. Target Week</b>	<p><b>Notes: Guest lecturers may result in modifications to the schedule. As a courtesy to our guest lectures, please turn off <u>all</u> laptops and communication devices.</b></p>
1 09-03	<p><b>Chapter 1 (Overview of a Financial Plan); Excel</b>            Components and Developing a Financial Plan            Excel spreadsheets, graphics and financial applications            PFP Chapter 1: <b>Brainstorm goal setting (short-term, intermediate-term, and long-term)</b>  <b>Good debt; bad debt!</b>  <b>Dartmouth vs Rutgers!</b>  <b>Gone Broke;</b>  <b>Case 1 and/or Case 2</b>  <b>National Save for Retirement Week, Oct. 20-26, 2013</b>  <b>Success Criteria</b>  <b>Sign Up Form for Current Events</b></p>
2 09-06	<p><b>Chapter 2 (Planning with Personal Financial Statements)</b>  <b>Factors that affect cash flows; creating a budget</b>  <i>Discussion of tradeoffs regarding: What's it worth to reduce my spending and understanding the Latte Factor</i>  <i>PFP Chapter 2</i>  <b>Social Media Policy</b>  <b>Sign Up Form for Current Events (continued)</b></p>
3 09-10	<p><b>Chapter 3 (Applying Time Value Concepts) Part 1</b>            Future and present value of a single dollar amount  <i>To be a millionaire, how long would it take with different rates of savings and rates of return, etc.</i>  <b>Latte Factor and Calculator!</b>  <b>Sign Up Form for Current Events (continued)</b></p>
4 09-13	<p><b>Chapter 3 (Applying Time Value Concepts) Part 2</b>            Future and present value of an annuity  <i>To be a millionaire, how long would it take with different rates of savings and rates of return, etc.</i>  <b>Sign Up Form for Current Events (continued)</b></p>
5 09-17	<p><b>Chapter 4 (Using Tax Concepts for Planning)</b>  <b>What are deductions and Exemptions?</b>  <b>Introduce Stock Market Project and Leasing Project</b></p>
6 09-20	<p><b>Chapter 5 (Banking and Interest Rates)</b>            Types of financial institutions and their banking services; Interest rates; Money market investments and their risk  <i>How to choose a bank, with given minimum deposits, balances, monthly fees, check-writing charges?</i>  <b>Introduce Excel Pareto Project; hand calculations</b>  <b>Remember to start tracking your two weeks' worth of data for the Pareto Project. Data will be analyzed in class on October 29.</b></p>
7 09-24	<p><b>Scott Borden: Guest Lecturer on Job Searching – written summary due</b></p>
8 09-27	<p><b>Chapter 6 (Managing Your Money)</b>  <i>How do you evaluate choosing between two CDs?</i>  <i>How much do you need to save to purchase a car?</i>  <i>How should you plan to purchase a condo?</i></p>

<p>9 10-01</p>	<p><b>Chapter 7 (Assessing and Securing Your Credit)</b> Credit Bureaus</p> <p>Credit cards; dealing with credit debt <i>Evaluate your preparedness to defend against identify theft</i></p> <p><b>In Defense of Snooping Employers</b> <b><i>In-Class Identity Theft</i></b></p>
<p>10 10-04</p>	<p><b>Chapter 8 (Managing Your Credit)</b> Finance Charges Tips on Using Credit Cards</p> <p><b>Take Home Exam #1 Due - All course projects must be posted on the Sakai Assignments Folder by 8:45 AM. Readable printed copies are to be submitted in class.</b></p> <p><b>7 Small Mistakes that Will Hurt Your Credit Score!</b> <b>Electronic Pick-Pocketing!</b></p>
<p>11 10-08</p>	<p><b>Chapter 9 (Personal Loans)</b> Evaluation of personal loans, auto loans and 30-year mortgages <i>How much can I borrow?</i></p>
<p>12 10-11</p>	<p><b>Bridget Greenleaf - Guest Lecturer on Real Estate – written summary due</b></p>
<p>13 10-15</p>	<p><b>Chapter 10 (Purchasing and Financing a Home)</b> Evaluate what you can afford to borrow to finance the purchase of a home Valuation of a home <i>How much can I borrow?</i></p> <p><b>Introduce Leasing Project</b> <b>Renter vs Buy</b> <b>Current Event Groups 1-4</b></p>
<p>14 10-18</p>	<p><b>Chapter 11 (Auto and Homeowner’s Insurance)</b> Managing risk; factors that affect auto insurance premiums; homeowner’s and renter’s insurance <i>What insurance should I have?</i></p> <p><b>Current Event Groups 5-8</b></p>
<p>15 10-22</p>	<p><b>Chapter 12 (Health and Disability Insurance)</b> <i>What are COBRA and HIPAA?</i> <i>What is Long-Term Care Insurance?</i></p> <p><a href="#">Patient Protection and Affordable Care Act</a></p>
<p>16 10-25</p>	<p><b>Chapter 13 (Life Insurance)</b> Types of life insurance and determining the amount of life insurance needed Types of investments; tradeoffs between return and risk <i>How much life insurance do I need?</i> <i>How do my investment decisions impact my wealth?</i></p> <p><b>Take Home Exam #2 Due - All course projects must be posted on the Sakai Assignments Folders by 8:45 AM. Readable printed copies are to be submitted in class.</b></p> <p><b>Life Insurance!</b> <b>Excellent Site for Investment Research!</b></p>

17 10-29	<b>Pareto Project; please bring PCs/MACs if you have one. Otherwise we will double up.</b>
18 11-01	<b>Chapter 14 (Investing Fundamentals)</b> <i>What are stocks, bonds, and mutual funds?</i>
19 11-05	<b>Chapter 15 (Investing in Stocks)</b> Analyzing the firm's annual report; industry analysis of stocks; stock valuation (Price-earnings method and price-revenue method) Stock Exchanges; purchasing or selling stocks; buying stock on margin and assessing performance of stock investments <i>What stocks meet my criteria? How do I compare and contrast them?</i> <i>How do I assess analysts' comments and earnings estimates?</i> <i>What Are Stocks?!</i> <b>Current Event Groups 9-12</b> <b>In-Class Life Expectancy</b>
20 11-08	<b>Chapter 16 (Investing in Bonds)</b> Types of bonds; valuing a bond; risk from investing in bonds; bond investment strategies Type of mutual funds; return and risk of a mutual fund <i>How do the purchase of bonds impact my protecting of assets and income, as well as my retirement?</i> <i>How do I select mutual funds that best meet my individual financial goals?</i>
21 11-12	<b>Chapter 17 (Investing in Mutual Funds)</b> Types of bonds; valuing a bond; risk from investing in bonds; bond investment strategies Type of mutual funds; return and risk of a mutual fund <i>How do the purchase of bonds impact my protecting of assets and income, as well as my retirement?</i> <i>How do I select mutual funds that best meet my individual financial goals?</i>  <i>Intro to Mutual Funds!</i> <i>Morningstar!</i> <i>Savings Calculator!</i> <i>Time Value of Money!</i> <b>Current Event Groups 13-16</b>
22 11-15	<b>Chapter 18 ( Asset Allocation)</b> How diversification reduces risk; strategies for diversifying; asset allocation strategies; factors that affect your asset allocation decision <i>Is my asset allocation conservative, moderate or aggressive?</i>  <b>Take Home Exam #3 Due - All course projects must be posted on the Sakai Assignments Folder by 8:45 AM. Readable printed copies are to be submitted in class.</b>
23 11-19	<b>Guest Lecturer: Ron Garutti, Jr., Certified Financial Planner – written summary due</b>
24 11-22	<b>Chapter 19 (Retirement Planning)</b> Social Security; employer-sponsored retirement plans (defined-benefit and defined-contribution plans) Retirement plans offered by employers; Keogh Plan, SEP, IRAs, etc. <i>How do my savings decisions and what types of plan(s) contribute to impact my retirement?</i> <b>Retirement Planning</b> <b>Current Event Groups 17-20</b>

11-26	<b>Change of Designation Day: Thursday classes meet; we have no class.</b>
25 11-27	<b>Change in Designation Day: Friday classes meet; we have class.</b> <b>Chapter 20 (Estate Planning)</b> Purpose of a will; estate taxes; trust, gifts, and contributions <i>What key events and changes in my assets impact the review and change of my will?</i>  <b>In-Class Summary Concept Project</b> <b>Financial Literacy Assessment</b> Make a Will! <b>Current Event Groups 21-24</b>
11-29	<b>No class: Happy Thanksgiving.</b>
26 12-03	<b>Vince Nauheimer: Guest Lecturer on Planning for Post Rutgers - written summary due</b>
27 12-06	<b>Chapter 21 (Integrating the Components of a Financial Plan)</b> Budgeting, managing liquidity; personal financing; protecting your assets and income; managing investments; retirement planning; maintaining your financial documents <i>How can I further improve my financial health?</i>  <b>7 Common Denominators among Those Who Successfully Build Wealth!</b> <b>65 Ways for Retirees to Save!</b> <b>Prenup!</b> <b>Warren Buffet's 5 Tips to Build Wealth and Success</b> <b>Principles for Young People!</b> <b>50:30:20 Budget!</b>
28 12-10	<b>Catch Up; Help Session</b> <b>Take Home Exam #4 Due - All course projects must be posted on the Sakai Assignments Folder by 8:45 AM.</b> <b>Readable printed copies are to be submitted in class.</b>

**P. Attendance:** Attendance is of critical importance. It is essential to keep up with the class material. Attendance will be taken in each class. If a student misses/will miss a class, then the student needs to send a courtesy e-mail message to the professor.

**Q. Required:** Statistical software in Excel 2003 (or higher) or, for MACs, StatPlus/Analyst Soft as an alternative, is required for problems, related cases, and team projects. 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.

**R. Assessment:**

**Posting of Grades:** please check MyRutgers for your final grades.

**Assessment Policy:**

Letter Grade	Scores Based on Course Components
A	90-100
B+	85-89
B	80-84
C+	75-79
C	70-74
D	60-69
F	< 60

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

**S. 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>

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

**U. Take Home Exams:** All Take Home Exams are posted on Sakai under Resources. Take Home Exams must be handed in on time in their entirety.

**Penalty:** 10% for every grade component is submitted late, with a **max of one week**. Submissions must be complete; no partial assignments can be submitted. Once the Take Home Exams are returned to the students, then late submissions cannot be accepted in order to maintain fairness for all students.

**Note: Project due dates are tentative until confirmed.**

## V. 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.

- **If you do not have a NETID**, please use the following page to attain one: <http://netid.rutgers.edu/>

- **If you have any problems**, please contact your local RUCS Help Desk. You can reach them at [help@nbc.rutgers.edu](mailto:help@nbc.rutgers.edu) or 732-445-Help

### 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>

### Sakai website:

<http://sakai.rutgers.edu/portal>

If you do not see this course listed, then the site is 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.

## W. CTAAR

The Center for Teaching Advancement and Assessment Research supports teaching and learning through a variety of areas. Free for students are software workshops in Excel, Word, PowerPoint, Access, etc. [http://ctaar.rutgers.edu/workshops/ws\\_descr\\_IT.html](http://ctaar.rutgers.edu/workshops/ws_descr_IT.html)

## X. 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> 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@nbc.rutgers.edu](mailto:help@nbc.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 "**37:575:250:04-Day**" in the Subject section to avoid being spammed. **Please sign your full name in all e-mail correspondence.**

**Please do not Reply All to the Instructors.** Otherwise, several members of the staff and instructors will receive your 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.



**Y. Study Groups:** Forming study groups will facilitate learning by keeping you focused, involved, and current in the course.

**Z1. Classroom Etiquette:** Common courtesy is expected at all times.

**Z2. Parking Impacts:** Special events may impact parking.

**Z3. University/Campus Closings:** 732-932-INFO (New Brunswick); <http://campusstatus.rutgers.edu>

**Note: Details of the Take Home Exams can be found on Sakai in the Assignments Folder.**