

**A. Course: 37:575:250:B6 Finance for Personal and Professional Success Summer 2018**

**B. Instructor:** Peter Rokkos

**C. Contact Information:**  
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 Cell – 732 216 4209

Please note that other students probably have similar questions to yours so use the Forum at Sakai for any public questions relating to assignments; use email for any personal messages. Please use “**37:575:250:B6**” in the Subject section of any emails sent to the instructor or teaching assistant.

**D. Meeting Times: Monday and Wednesday, 6:00 – 10:25 PM beginning May 30 and ending July 2**  
**Location:** Frelinghuysen Hall B3

**E. Office Hours:** Prior to and immediately after class in classroom, and otherwise by appointment.

**F. 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.

**G. 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.

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 **financial planning process** enables you to understand the key components of 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 life's 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 your needs and tolerance for risk, planning for a comfortable retirement, and passing on your estate with minimal transfer costs.

Basic 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 your goal of saving 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 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 you decide to reduce your housing expenses you can, for example, either move to a cheaper unit and/or take in a room-mate. If you're saving for retirement, and can't save enough each month to meet your goal; consider alternatives such as: later retirement, reducing current or future expenses, or investing differently.

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 using the time value of money; and finding the best bank to fit your needs,
- Excel applications; one project applies the Pareto Principal (80:20 Rule) to tracking your frivolous expenditures (non obligations of rent or mortgage, 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.

#### **H. 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.

#### **I. Text - Required:**

Madura, J., **Personal Finance**, Pearson-Addison/Wesley, 6e, 2014, ISBN 9780134082561. **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.

#### **J. Pre-Requisite:** None

**K. 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.

**L. 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:

Notes	<b>Please read carefully.</b>	
	<b>Note 1:</b> Please go to Sakai to the Assignments Folder. There are four Take Home Exam assignments: Take Home Exam 1, 2, 3, and 4. All submissions must be typed, with your name on all pages. <b>Take Home Exams must be submitted BOTH in the Assignments folder on Sakai and as paper copies in class.</b>	
	<b>Note 2: THERE WILL BE A 10% DEDUCTION FOR FAILURE TO SUBMIT PAPER COPIES OF YOUR TAKE HOME EXAMS IN CLASS ON THE DATE DUE.</b>	
	<b>Note 3:</b> The in-class projects such as current events and additional projects are listed separately below, and please monitor Sakai for additional announcements of Assignments which will also be discussed in class. Additional Assignments are to be submitted in the Assignments folder on Sakai.	
	<b>Note 4:</b> You should not submit handwritten responses torn from the book.	
Take Home Exams	Description	Target Due Date
<b>Take Home Exam 1</b> 15%	Selected Problems, Chapters 3, 4, & 5 Case, Part 1 - Chapter 4 ( <i>You serve as a financial advisor</i> ). Personal Financial Plan Worksheets, Chapters 1, 2 and 5 (3 files – use <i>Excel where possible</i> )	June 11
<b>Take Home Exam 2</b> 15%	Selected Problems, Chapters 6 & 9 Case, Part 2 - Chapters 8 and 10 Personal Financial Plan Worksheet, Chapter 8	June 20
<b>Take Home Exam 3</b> 20%	Selected Problems, Chapters 11, 12, 13, 14 & 16 Case, Part 3 - Chapter 13 Pareto Analysis - Conduct Self Study Personal Financial Plan Worksheet, Chapter 10	June 27
<b>Take Home Exam 4</b> 20%	Selected Problems, Chapters 16, 17 and 19 Case, Part 4 - Chapters 18 and 20 Stock Market Project (Start tracking Class 2; end the day before Due Date)	July 5
<b>In-Class Projects Must Be Present</b> 8%	In-Class Math Literacy Assessment ( <b>Must be present in class</b> ) In-Class Current Events ( <b>Sign up for date for group activity</b> ) Others to be announced during class	Dates to be announced in class
<b>Additional Assignments</b> 17%	Sign Up: Virtual Stock Exchange Research Project: Bank Comparisons Research Project: Identity Theft Research Project: Life Expectancy and Retirement Research Project: Risk Assessment Research Project: Leasing an Apartment Research Project: Credit Report Others to be announced during class	Dates to be announced in class
<b>Class Participation</b> 5%	Active participation is critical. This is PERSONAL finance; it involves a person being present and actively involved in the discussions.	

<b>Total</b>	Note: For any non-working websites, please first check Yahoo and/or Google as alternatives. Otherwise, please e-mail the instructor.
<b>100%</b>	

<b>M. Target Week</b>	
Class 1 First Class on 5-30	<p><b>Chapter 1 (Overview of a Financial Plan); and Excel</b></p> <ul style="list-style-type: none"> <li>• Components and Developing a Financial Plan</li> <li>• Excel spreadsheets, graphics and financial applications</li> <li>• Pre-Assessment of Financial Literacy</li> </ul> <p><b>Chapter 2 (Planning with Personal Financial Statements)</b></p> <ul style="list-style-type: none"> <li>• Factors that affect cash flows; creating a budget</li> </ul> <p><b>Chapter 3 (Applying Time Value Concepts)</b></p> <p><i>Introduce Personal Financial Plan: Chapter 1: Goal setting (short-term, intermediate-term, and long-term)</i>  <i>Introduce Stock Market Project</i></p>
Class 2 6-4	<p><b>Chapter 3 (Applying Time Value Concepts)</b></p> <ul style="list-style-type: none"> <li>• Future and present value of a single dollar amount</li> <li>• Future and present value of an annuity</li> <li>• Savings Plan, Cash inflow/Cash outflow, Balance Statements</li> </ul> <p><i>Introduce Out of Pocket tracking project</i>  <i>Pick Group members and dates of presentations for Current Events Project</i></p>
Class 3 6-6	<p><b>Chapter 4 (Using Tax Concepts for Planning)</b></p> <ul style="list-style-type: none"> <li>• Future and present value continued</li> <li>• What are deductions and Exemptions?</li> </ul> <p><b>Chapter 5 (Banking and Interest Rates); and Chapter 6 (Managing Your Money)</b></p> <ul style="list-style-type: none"> <li>• Types of financial institutions and their banking services; Interest rates; Money market investments and their risk</li> </ul> <p><i>Introduce Credit Report Project</i>  <i>Introduce Excel Pareto Project</i>  <i>Introduce Bank Comparison Project</i>  <i>Pick Group members and dates of presentations for Current Events Project</i></p>
Class 4 6-11	<p><b>Chapter 7 (Assessing and Securing Your Credit); and 8 (Managing Your Credit)</b></p> <ul style="list-style-type: none"> <li>• Credit cards; dealing with credit debt</li> <li>• Evaluate your preparedness to defend against identify theft</li> </ul> <p><b>Chapter 9 (Personal Loans); and Chapter 10 (Purchasing and Financing a Home)</b></p> <ul style="list-style-type: none"> <li>• Evaluation of personal loans, auto loans and 30-year mortgages</li> <li>• Evaluate what you can afford to borrow to finance the purchase of a home</li> <li>• Valuation of a home</li> </ul> <p><i>Introduce Credit Report Project</i>  <i>Introduce Excel Pareto Project</i></p>

	<p><b>Take Home Exam #1 Due June 11, 2018. Take Home Exams must be submitted BOTH in the Assignments folder on Sakai by 6:00PM on the due date and as paper copies in class.</b></p>
Class 5 6-13	<p><b>Chapter 10 (Purchasing and Financing a Home)</b></p> <ul style="list-style-type: none"> <li>Evaluate what you can afford to borrow to finance the purchase of a home</li> <li>Valuation of a home</li> </ul> <p><b>Chapter 11 (Auto and Homeowner's Insurance); and Chapter 12 (Health and Disability Insurance)</b></p> <ul style="list-style-type: none"> <li>Managing risk; factors that affect auto insurance premiums; homeowner's and renter's insurance</li> </ul> <p><i>Introduce Identity Theft Assessment Project</i></p>
Class 6 6-18	<p><b>Chapter 13 (Life Insurance); and Pareto Project</b></p> <ul style="list-style-type: none"> <li>Types of life insurance and determining the amount of life insurance needed</li> <li></li> </ul> <p><b>Chapter 14 (Investing Fundamentals); and Chapter 15 (Investing in Stocks)</b></p> <ul style="list-style-type: none"> <li>Types of investments; tradeoffs between return and risk</li> <li>Analyzing the firm's annual report; industry analysis of stocks; stock valuation</li> <li>Stock Exchanges; purchasing or selling stock</li> </ul> <p><i>Introduce Leasing Project</i></p>
Class 7 6-20	<p><b>Chapter 14 (Investing Fundamentals); and Chapter 15 (Investing in Stocks)</b></p> <ul style="list-style-type: none"> <li>Types of investments; tradeoffs between return and risk</li> <li>Analyzing the firm's annual report; industry analysis of stocks; stock valuation</li> <li>Stock Exchanges; purchasing or selling stock</li> </ul> <p><b>Chapter 16 (Investing in Bonds); and Chapter 17 (Investing in Mutual Funds)</b></p> <ul style="list-style-type: none"> <li>Types of bonds; valuing a bond; risk from investing in bonds; bond investment strategies</li> </ul> <p><b>Take Home Exam #2 Due June 20, 2018. Take Home Exams must be submitted BOTH in the Assignments folder on Sakai by 6:00PM on the due date and as paper copies in class.</b></p>
Class 8 6-25	<p><b>Chapter 16 (Investing in Bonds); and Chapter 17 (Investing in Mutual Funds)</b></p> <ul style="list-style-type: none"> <li>Types of bonds; valuing a bond; risk from investing in bonds; bond investment strategies</li> <li>Types of mutual funds; return and risk of a mutual fund</li> </ul> <p><b>Chapter 18 (Asset Allocation); and Investing Review</b></p> <ul style="list-style-type: none"> <li>How diversification reduces risk; strategies for diversifying; asset allocation strategies; factors that affect your asset allocation decision</li> </ul> <p><i>Introduce Life Expectancy and Retirement Project</i></p>
Class 9 6-27	<p><b>Chapter 19 (Retirement Planning); and Chapter 20 (Estate Planning)</b></p> <ul style="list-style-type: none"> <li>Social Security; employer-sponsored retirement plans (defined-benefit and defined-contribution plans)</li> <li>Retirement plans offered by employers; Keogh Plan, SEP, IRAs, etc.</li> <li>Purpose of a will; estate taxes; trust, gifts, and contributions</li> </ul>

	<p><b>Chapter 21 (Integrating the Components of a Financial Plan)</b></p> <ul style="list-style-type: none"> <li>Budgeting, managing liquidity; personal financing; protecting your assets and income; managing investments; retirement planning; maintaining your financial documents</li> <li>Special topics including marriage, divorce, children and financial planning</li> </ul> <p><i>Introduce Risk Assessment Project</i></p> <p><b>Take Home Exam #3 Due June 27, 2018. Take Home Exams must be submitted BOTH in the Assignments folder on Sakai by 6:00 PM on the due date and as paper copies in class.</b></p>
<p>Class 10 7-2</p> <p>MONDAY JULY 2 IS THE LAST DAY OF CLASS</p>	<p><b>Special Topics including marriage, divorce, families, children and financial planning</b></p> <p><b>Putting it all together.....</b></p> <p><b>Math Literacy Assessment on July 2, 2018 – Must be present!!</b></p> <p><b>Current Event Groups - Class Presentations</b></p> <p><b>Take Home Exam #4 Due July 5, 2018. Take Home Exams must be submitted in the Assignments folder on Sakai by 6:00 PM.</b></p>
EXAM WEEK	<p><b>THERE IS NO FINAL EXAM FOR THIS CLASS</b></p> <p><b>Any makeup, late or final assignments must be submitted by July 5, 2018 or they will not be considered in evaluating final grades</b></p>

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

**O. 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, etc.) can be used in the classroom.

**P. 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:** Rounding up for 'in between grades' will be based on multiple factors including participation and attendance; but will only be considered for 1% point. For example, an 84.6% may round up to an 85% for a B+ if attendance and participation are exceptional; an 84.4% will in all but exceptional instances not round up; and a 83.9% will not be considered for rounding up to a B+. The thresholds for final letter grades will be re-scaled if a conventional standard seems unreasonable.

**Q. 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>.

**Some additional thoughts on assignments, take home exams and academic integrity:**

- All homework assignments are to be handed in via Sakai, using the Assignments tab, and all Take Home Exams must ALSO be handed in in paper hard copies during class on the date due. Do not put it in the Drop Box, it will not be accepted and I will not look for it there.
- Submissions must be complete; no partial assignments can be submitted, they will not be accepted.
- Cheating or copying from another student's answers will result in a ZERO for both involved.
- 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 grade.

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

**S. 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:** Immediate 10% for each grade component submitted late with penalties increasing **daily** after that. 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 in class.**

**T. 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.

**U. 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)

**V. 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 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.

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

**X. Classroom Etiquette:** Common courtesy is expected at all times. Please turn off all cell phones and other communications devices during class. This facilitates efficient learning, best performance in the course, and timely completion of classes.

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

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