

FINC 161-700

Personal Finance-Summer 2022

Instructor: Mark A. Staynings

Phone: (270) 745-2555 (I will not be in my office very much during the summer so if you need to contact me, please e-mail me and I will respond promptly).

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Office Hours

By Appointment.

Text: Focus on Personal Finance-An Active Approach to Help You Achieve Financial Literacy 6th or 7th Edition By Kapur, Dlabay, Hughes & Hart.

You should also purchase a Texas Instruments BAII Plus Calculator.

Students with Disabilities: If you require an accommodation because of a disability please contact the Student Disability Services in the Downing Student Union and provide me with a copy of the form they issue to you.

Course Description: This course is designed to help you make better personal financial decisions and provide you with a better understanding of how the financial choices you make impact your life. We will cover practical applications on personal and family financial planning. Some of the topics we will cover include credit choices, buying, borrowing, banking, insurance, retirement, estate planning, home ownership, and student debt.

This class is highly practical and will enhance your ability to make wise financial decisions that can help improve your quality of life.

General Education/Colonnade: This class counts as one three hour credit in either Category C of WKU's General Education-Social & Behavioral Sciences or Category II Explorations of the Colonnade Program.

Assignments:

Exam 1 100 Points

Exam 2 100 Points

Final Exam 100 Points

Quizzes 140 Points

Weekly Budget Assignment 50 Points

Weekly Stock Reports 60 Points

Retirement Project 100 Points

Total Possible Points 650

The three exams and quizzes will be a combination of multiple choice and/or True/False questions. There will be fourteen end of chapter quizzes. Once you log into an assignment, such as a quiz or a test, you must complete it (i.e. you will not be able to stop the assignment and come back to it at a later time). It is important that when you are taking a quiz or an exam that you do so using a secure internet connection. I prefer that you use a desktop computer that is reliable. **PLEASE DO NOT TRY TO COMPLETE ASSIGNMENTS USING YOUR PHONE**

Exam and /or quiz questions may come from the course lectures, textbook, or outside sources so it is critical that you stay up to date and read the text book to ensure you receive all the necessary information in order to succeed in this class.

Weekly Budget Assignment: You will submit a weekly budget on Blackboard that tracks your income, expenses, and any unforeseen expenses or additional revenue that occurred. The purpose of this exercise is to help you track where you are spending money and hopefully help you start to make better personal financial decisions. This weekly report should include:

1. The source of your income (job, parents, grants, loans, trust fund etc.).
2. Your report should include an expense for a place to live. For example if you are paying \$1000 for the summer for a dorm you would divide this figure by 5 to get a weekly number of \$200. Your budget should also include a weekly expense for food. Please do not list expenses as miscellaneous. If you live at home and do not incur expenses for rent and food please note this in your report. Likewise if your parents pay your cell phone bill please stipulate that in your report.

Your final weekly budget report should include a review of what you learned from the budgeting exercise and how you will use the information you learned to improve your personal financial life. These weekly reports will be due by midnight each Sunday during the course

Stock Project: Each student will be given \$50,000 to invest in stocks at the start of the semester. You will pick five different stocks and invest \$10,000 each company. You should list the purchase price of the stock and how many shares you purchased of each company at this price. The number of shares you own will not change for the duration of the class, but the value of these shares will. You can find share prices at: <http://www.finance.yahoo.com/>. You should record the closing price of each of your stocks and total investment value at the close of business each Friday and whether you made or lost money in the previous week. If there is a significant change in the price of your shares I would like you to identify the reason(s) for this change.

Your weekly stock report should include the following information:

1. The number of shares you own in each company (this number will not change for the duration of the class).
2. The opening and closing price of the shares each week.
3. The value of your investment in each of the companies in which you are invested.
4. The percentage change in your investment for the week and since the course started on July 5, 2022, and the percent change in the Dow and Nasdaq for each week and since the beginning of the class on June 15. For example, during the spring 2022 semester, the percentage change in the Dow and Nasdaq was calculated as follows:
5. The % change for the Dow and Nasdaq for the week ending April 29, 2022, are as follows:

6.	Week	Semester
7. Dow	-2.24%	-7.53%
8. Nasdaq	-3.25%	-15.99%

9. To calculate these numbers:

10. Dow week: $= 32,977.21 - 33,731.65 = -754.44 / 33,731.65 * 100 = -2.24\%$

11. Dow since the beginning of class: $= 32,977.21 - 35,661.76 = -2,684.55 / 35,661.76 * 100 = -7.53\%$

12. Nasdaq week $12,334.64 - 12,749.20 = -414.56 / 12,749.20 * 100 = -3.25\%$

13. Nasdaq since the beginning of class: $= 12,334.64 - 14,681.83 = -2,347.19 / 14,681.83 * 100 = -15.99\%$

These numbers represent the closing value of the markets as of Friday April 29

If you have any questions or need help with this assignment, please let me know.

14. How your investment performed compared to the overall market (the Dow and Nasdaq)-i.e. Did your investment perform better or worse than the overall market?
15. Your final report should reflect stock market values at the close of business on Friday August 5, 2022.

Each of the weekly reports will be worth 10 points and your final report will be worth 20 points. Your final report should include a summary of which stocks did you make or lose the most. Do you know the reasons that your investments did better or worse than the overall market? If you do not understand any aspect of this assignment, please contact me as soon as possible and I'll be glad to help.

Retirement Project:

You will be required to formulate a retirement plan.

1. This plan should include at what age you plan to retire.
2. How much you think you will need for retirement? On what do you base this estimate?
3. How will you accumulate assets to help fund your retirement?

4. What your anticipated starting salary will be based on your current major-what do people currently make in this field? You will need to look this information up from a credible source. Do not just make numbers up.
5. What type of investments do you intend to use to provide retirement income?
6. What are some of the risks or challenges that current or future retirees face?
7. What impact will Social Security & Medicare have on future generations and what challenges confront these and other retirement plans?
8. How will inflation impact your retirement income?
9. What other steps can you take to protect yourself in retirement?

Your retirement project should also be about 3-4 pages typed and double spaced. Please do not write on your report that you will invest your retirement savings in a savings account at the bank-if that is your plan you will never be able to retire.

Grades:

585-650 = A

520-584 = B

434-519 = C

390-433 = D

389 or less = F

Students who stop completing assignments can expect to receive a grade of FN. Please be advised that such a grade can have serious consequences on your eligibility to receive financial aid.

Course outline and class schedule**Week One July 4-July 10**

Introduction, Course Outline and Expectations.

Pick stocks for stock project

Please read chapter one-Personal Financial Planning in Action and review power point slides for chapter 1 found under content on Blackboard. You should also watch the chapter 1 video lecture.

Take quiz 1 on Blackboard.

Homework Read Chapter 2.

Pick stocks for stock project

Please read chapter two- Money Management Skills and review power point slides for chapter 2 found under the content section of Blackboard. You should also watch the chapter 2 video lecture.

Take quiz 2 on Blackboard.

Please read chapter Three-Taxes in Your Financial Plan and review power point slides found under content section of Blackboard. You should also watch the chapter 3 video lecture.

Take quiz 3 on Blackboard.

PLEASE ENSURE THAT YOU COMPLETE ALL THREE QUIZZES BY MIDNIGHT (CDT) SUNDAY JULY 10.

PLEASE SUBMIT WEEKLY BUDGET & STOCK REPORTS ON BLACKBOARD BY MIDNIGHT JULY 10TH.

Week 2 July 11-17

Please read chapter four-Financial Services: Savings Plans and Payment Accounts and review power point slides found under content section of Blackboard and watch the chapter 4 video lecture.

Take quiz 4 on Blackboard

Please read chapter five Consumer Credit-Advantages, Disadvantages, Sources and Costs and review power point slides found under content section of Blackboard and watch the chapter 5 video lecture.

Take quiz 5 on Blackboard

Take First Exam on Blackboard over chapters 1-5 by midnight Wednesday July 13th. The exam will be available on Blackboard from Monday July 11 at 6 AM CDT

Homework-read Chapter 6-Consumer Purchasing Strategies and Wise Buying of Motor Vehicles and review power point slides found under content section of Blackboard and watch the chapter 6 video lecture.

Take quiz 6 on Blackboard.

Please read chapter 7 Selecting and Financing Housing and review power point slides found under the content section of Blackboard and watch the chapter 7 video lecture.

Take quiz 7 on Blackboard

Please read chapter 8-Home and Automobile Insurance and review power point slides found under the content section of Blackboard and watch the chapter 8 video lecture.

Take quiz 8 on Blackboard

PLEASE SUBMIT WEEK TWO BUDGET & STOCK REPORTS & take quizzes 6,7, & 8 ON BLACKBOARD BY MIDNIGHT (CDT) SUNDAY JULY 17th.

Week 3. July 18-24

Please read chapter 9 Health & Disability Income Insurance and review power point slides found under the content section of Blackboard and watch the chapter 9 video lecture.

Take quiz 9 on Blackboard and study for exam 2

Take second exam over Chapters 6-9 on Blackboard by midnight Thursday July 22nd. The exam will be available from on Blackboard from Tuesday July 20 at 6 AM- midnight (CDT) Thursday July 22nd CDT

PLEASE SUBMIT WEEK THREE BUDGET & STOCK REPORTS ON BLACKBOARD BY MIDNIGHT SUNDAY JULY 24TH.

Please read chapter 10-Financial Planning with Life Insurance and review power point slides found under the content section of Blackboard and watch the chapter 10 video lecture.

Take quiz 10 on Blackboard by midnight Sunday July 24th.

Please read chapter 11 Investing Basics & Evaluating Bonds and review power point slides found under the content section of Blackboard and watch the chapter 11 video lecture.

Week 4 July 25th-31st

Take quiz 11 on Blackboard.

PLEASE SUBMIT WEEK FOUR BUDGET & STOCK REPORTS ON BLACKBOARD BY MIDNIGHT SUNDAY July 31st

Read chapter 12-Investing in Stocks and review power point slides found under content section of Blackboard and watch the chapter 12 video lecture.

Take quiz 12 on Blackboard.

Week 5 August 1-7th.

Read chapter 13 Investing in Mutual Funds and review power point slides found under content section of Blackboard and watch the chapter 13 video lecture.

Take quiz Chapter 13 on Blackboard.

RETIREMENT PROJECT DUE BY MIDNIGHT WEDNESDAY August 3rd . PLEASE SUBMIT THIS PROJECT ON BLACKBOARD UNDER THE ASSIGNMENT TAB AND ENSURE THAT YOU ANSWER ALL THE QUESTIONS OUTLINED IN THE COURSE SYLLABUS. I RECOMMEND THAT YOU ALSO USE THE EDWARD JONES RETIREMENT CALCULATOR AND/OR THE FINRA CALCULATOR I HAVE PROVIDED UNDER THE CONTENT TAB ON BLACKBOARD.

Please read chapter 14-Starting Early: Retirement & Estate Planning and review the power point slides found under the content section of Blackboard and watch the chapter 14 video lecture.. Please also review the article "Calculating your rich ratio." Found under the content section on Blackboard.

Take quiz 14 on Blackboard

TAKE FINAL EXAM AND SUBMIT WEEK 5 BUDGET AND STOCK REPORTS ON BLACKBOARD. THESE ITEMS SHOULD BE SUBMITTED NO LATER THAN MIDNIGHT CDT SUNDAY AUGUST 7TH.

THE FINAL EXAM WILL BE AVAILABLE ON BLACKBOARD FROM 6 AM CDT THURSDAY AUGUST 4TH AND YOU WILL NEED TO SUBMIT IT ON BLACKBOARD BY SUNDAY AUGUST 7TH

AND WILL COVER CHAPTERS 10-14 . THE FINAL WILL NOT BE COMPREHENSIVE

General information:

The key to being successful in this class is to stay up to date with the assignments. There are several assignments due each week and if you get into a routine of working on these a little each day the class should not be too demanding. I encourage you to contact me with any questions, concerns, or issues that emerge as we work through the class and I will help you, if and when I can. It is very important that you contact me if you are having problems completing the assignments or with any material that we cover. The only dumb question in this class is the one, you don't ask when you don't understand something.

I hope you enjoy studying personal finance and it proves to be a positive learning experience for you. Good luck!