

FINC 161-Web Class

Personal Finance-Fall 2024

Instructor: Mark A. Staynings

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Office Hours

Monday 9:30 AM-12:30 PM

Tuesday 8:30 9:30 AM

Wednesday 9:30 AM-12:30 PM

Thursday 8:30-9:30 AM

Friday By appointment

Text: Focus on Personal Finance-An Active Approach to Help You Achieve Financial Literacy 5th or 6th Edition By Kapor, Dlabay, Hughes & Hart.

You should also purchase a Texas Instruments BAII Plus Calculator and bring this to class for each meeting.

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 140 Points

Weekly Stock Reports 150 Points

Retirement Project 100 Points

Total Possible Points 830

The three exams will be a combination of short answer, multiple choice and/or True/False questions. There will also be fourteen end of chapter quizzes. All of these assignments will be posted on Blackboard. The time limit for the quizzes will be 15 minutes and one hour for the exam. Quizzes and exams must be completed when you start them.

Exam and /or quiz questions may come from the course power points, textbook, or outside sources so it is critical that you read the textbook and review the power point slides 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 create a personal budget and 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 pay \$3,000 per semester for a dorm you would divide this figure by 15 to get a weekly number of \$200. If you live at home with your parents, please note this in your weekly budget. If your parents pay your cell phone bill, please also not this in your weekly budget report. Your report should also include a weekly expense for food. Please do not list expenses as miscellaneous.

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 of the semester. The budget reports are to be submitted on Blackboard by clicking on the Weekly Budget Report tab on the course site. Your budget report should be attached as a Word document

Stock Project: Each student will be given \$50,000 to invest in stocks at the start of the semester. You will invest \$10,000 in five different stocks and monitor the price of these stocks at the close of business each Friday. You should list the purchase price of the stock (this will be the opening price as of Monday August 19) and how many shares you purchased of each company at this price. You will calculate the number of shares you own by dividing \$10,000 by the opening price-you should round this number to two decimal places. You can find share prices at: https://www.marketwatch.com/investing/index/djia/downloaddata?mod=mw_quote_tab The number of shares you own will not change from week to week unless you decide to sell and invest in a different company. To find previous values for the Dow and Nasdaq simply click on the Dow 30 and Nasdaq link on yahoo finance. You will then click on historical data

During the course of the semester you can either sell or hold your shares or buy shares in a different company. You should record the closing price of each of your stocks and investment 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 try and identify the reason(s) for this change.

Your weekly report should include the following information:

1. The number of shares you own in each company (you calculate this by dividing \$10,000 by the opening price of the shares on Monday August 19).
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 total value of all the shares you own each week-this number will change based on the price of the shares.
5. The percentage change in your total investment for the week and for the semester.
6. The total value of your investments (how much is the original \$50,000 worth) at the end of each week.
7. The percentage change in the Dow and Nasdaq exchanges for the week and since the beginning of the class (August 19).
8. How your investment performed as a percentage compared to the overall market (the Dow and Nasdaq).-i.e. Did your investment perform better or worse than the overall market?

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? The weekly stock reports should be posted to Blackboard no later than midnight on Sunday each week of the semester.

To calculate the percentage change in your shares, the Dow, and Nasdaq for the week and semester you simply take the closing value of the investments in total, minus the opening value, divided by the opening value, multiplied by 100. For example during the spring 2024, semester the Dow opened on Monday (1st day of class) at 37,493.54 and closed on Friday April 26 (last day of classes) at 38,239.66 a difference of 746.12 You divide this number by the opening price on January 15, = $746.12/37,493.54$ by 100 = 1.99%, this was the % change in the Dow for the semester.

I have also prepared the following instructions and short video explaining the requirements.

One of the assignments for this class is to invest \$10,000 in five separate companies. This is a very simple exercise, but some of my prior students have experienced difficulty completing this exercise. So I have prepared the following video and list of instructions to help you understand what you need to do.

1. Step 1: Pick the companies you want to invest in (this is entirely your choice, but pick companies you think will increase in value you may, or may not be correct.
2. Go to yahoo finance and type the name of the company in the search box this will give you the current price of the company stock.
3. Under the company stock quote click on historical data and look up the opening price of the stock on the first day of our class (Monday August 19, 2024 for the spring 2024 semester).
4. Divide \$10,000 (the amount of your investment in each company) by the opening share price. This will give you the number of shares you own in that particular company. The number of shares you own will be fixed for the duration of the class.
5. For example, if you invested \$10,000 in Apple, you would need to look up the opening price of Apple shares on Monday, August 19 which was \$225.72. $\$10,000/\$225.72 = 44.30$ shares (this will not change for the duration of the class by the closing).
6. You then need to look up the closing price of each of the companies you have invested in after the markets close each Friday and. and then multiply the number of shares you own. This will tell you how much your original \$10,000 is now worth.
7. Watch the following short video that explains this process.

https://mediasite.wku.edu/Mediasite/Play/6c953d5bceed4e73b59ae54ba756a2_5f1d

If you have any questions regarding this assignment you should contact me as soon as possible. Some of my previous students have had difficulty with this project because they could not calculate these percentages. If you don't understand any aspect of this assignment, please let me know and I will 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 should cite a source for this information
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?
10. Identify three or four other challenges might confront a person engaged in planning for retirement and explain how you will make plans to reduce the risks of these obstacles to a happy and prosperous 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:

747-830 = A

664-746 = B

581-663 = C

498-580 = D

497 or less = F

Students who stop attending class and fail to turn in assignments can expect to receive a grade of FN. This grade can have serious consequences on your eligibility to receive financial aid.

Last Day to drop the course:

The last day to drop this class with a grade of W is **Monday October 28 2024**

Course outline and class schedule. Power point slides for each chapter are found under the content tab of the course Blackboard site.

Week One August 19-25

Please review the course syllabus thoroughly.

Read chapter one -Personal Financial Planning in Action and review power point slides.

Take quiz 1, submit personal budget report 1 and stock report 1 by midnight Sunday August 25.

Homework Read chapter 2.

Week Two. August 26-September 1

Read chapter two and review power point slides- Money Management Skills.

Take quiz 2, submit personal budget report 2 and stock report 2 by midnight Sunday September 1.

Homework Read Chapter 3.

Week Three. September 2-8

Read chapter three and review power point slides; Taxes in Your Financial Plan. Also, please look up the Laffer Curve that explains the relationship between tax rates and government revenue.

Take quiz 3, submit personal budget report 3 and stock report 3 by midnight Sunday September 8.

Homework Read Chapter 4

Week Four. September 9-15

Read chapter 4 and review power point slides-Financial Services: Savings Plans and Payment Accounts.

Take quiz 4, submit personal budget report 4 and stock report 4 by midnight Sunday September 15.

Homework Read Chapter 5

Week Five. September 16-22

Read chapter five and review power point slides

Consumer Credit-Advantages, Disadvantages, Sources and Costs.

Take quiz 5, submit personal budget report 5 and stock report 5 by midnight Sunday September 22.

Week 6 September 23-29

First Exam on Blackboard due by midnight Friday September 27. Over chapters 1-5. Also, please remember to submit your weekly budget and stock reports by midnight Sunday September 29.

Read Chapter 6 and review power point slides-Consumer Purchasing Strategies and Wise Buying of Motor Vehicles.

Take quiz 6, submit personal budget report 6 and stock report 6 by midnight Sunday October 1.

Week 7. September 30-October 6

Read chapter 7 and review power point slides Selecting and Financing Housing.

Take quiz 7, submit personal budget report 7 and stock report 7 by midnight Sunday October 6.

Week 8. October 7-13

Read chapter 8 and review power point slides-Home and Automobile Insurance.

Take quiz 8, submit personal budget report 8 and stock report 8 by midnight Sunday October 13.

Week 9. October 14-20

Read Chapter 9 and review power point slides.

Health & Disability Income Insurance

Take quiz 9, submit personal budget report 9 and stock report 9 by midnight Sunday October 20.

Week 10. October 21-27

Second Exam over Chapters 6-9 due by midnight Friday October 25.

Read chapter 10 and review power point slides-Financial Planning with Life Insurance.

Take quiz 10, submit personal budget report 10 and stock report 10 by midnight Sunday October 27.

Week 11. October 28-November 3

Read chapter 11 and review power point slides-Investing Basics & Evaluating Bonds.

Take quiz 11, submit personal budget report 11 and stock report 11 by midnight Sunday November 3.

Week 12. November 4-10

Read chapter 12 and review power point slides-Investing in Stocks.

Take quiz 12, submit personal budget report 12 and stock report 12 by midnight Sunday November 12.

Week 13. November 11-17

Read chapter 13 and review power point slides-Investing in Mutual Funds

Take quiz 13, submit personal budget report 13 and stock report 13 by midnight Sunday November 19.

Retirement Project due by midnight Sunday November 17. Submit on Blackboard.

Week 14. November 18-24

Chapter 14-Starting Early: Retirement & Estate Planning.

Review Calculating Your Rich Ratio article in content section of Blackboard

Take quiz 14, submit personal budget report 14 and stock report 14 by midnight Sunday November 24. Your final stock report should reflect the closing stock market prices as of the close of business on Friday November 22.

Thanksgiving Holiday WKU will be closed from Wednesday November 27-Friday November 29

Final Exam Week Monday December 2-Thursday December 5

Final Exam (not comprehensive) available on Blackboard **December 2 from 6 am until midnight (CST)**. You have to complete the exam once you log on to Blackboard.

IT IS YOUR RESPONSIBILITY TO BE AWARE OF ALL DUE DATES FOR THE ASSIGNMENTS IN THIS CLASS AND I EXPECT YOU TO TURN THEM IN ON TIME.

PLEASE LET ME KNOW IF YOU HAVE ANY QUESTIONS.