

Syllabus

PERSONAL FINANCE

- **Instructor:** Joy Chan (chanj@ceu.edu). For consultations, approach me either before or after class.
- **Credits:** 1.5 credits (3 ECTS)
- **Term:** Winter 2017-2018
- **Course level:** Masters level. This course is delivered with a class cap of 25 students (no exceptions will be made on this).
- **Prerequisites:** **All enrolled students should have shown successful completion of core finance and accounting courses at graduate level**, and are seriously interested in learning how to better manage their finances.

Course description

The old saying goes “I’ve been rich and I’ve been poor, but believe me, rich is better.” While being rich doesn’t guarantee happiness, the accumulation of money does provide financial security and is a worthy goal. This course takes on a **hands-on, practical approach** to help participants become better managers of their own money and time, by making informed choices related to spending, saving, borrowing and investing. It will introduce participants to the steps of the financial planning and decision-making process, and offer tools to help identify and evaluate choices as well as understand the consequences of their decisions in terms of opportunity costs. The course mirror the six steps of financial planning (offered by professional financial planners) which will ensure that participants leave the course with their own ready-to-implement financial plans.

Learning outcomes

Participants will, on successful completion of the course, develop their own comprehensive financial plan that will enhance their quality of life and increase their satisfaction by reducing uncertainty about their future needs and resources.

<i>Core Learning Area</i>	<i>Learning Outcomes</i>
<i>Decision making skills.</i>	Participants will be able to identify and evaluate financial choices they make as well as understand the consequences of their decisions in terms of opportunity costs.
<i>Technology Skills</i>	Participants will use excel spreadsheets for personal budgets, savings plans as well as evaluation of alternative investment/financing plans.
<i>Quantitative</i>	Participants will understand the application of present value and time value of

Reasoning	money concepts in the tradeoff between immediate consumption/satisfaction and future payoffs via savings/investments
Critical Thinking	Participants will be required to perform a critical self-assessment of their current financial situation in order to determine realistic and feasible goals in developing their financial plans. They are encouraged to apply and adapt the various liquidity and asset management techniques to their personal circumstance.
Ethics and Responsibility	Participants will be motivated to consider the impact of their financial decisions, both short and long term, on their immediate family concerns and the society at large.
Personal knowledge and skills	Participants will be equipped with useful life skills that will result in them being better managers of their own money and ultimately, the purveyors of their own financial future

Reading list

Readings are not confined to the prescribed books below. These are suggestions to get you started. In Personal finance, the rewards are multifold if you continuously, and voraciously, widen the depth and scope of your knowledge on current affairs, business, finance and tax issues.

Jeff Madura, Personal Finance textbook with Financial Planning software, Addison-Wesley

Arthur J.Keown, Personal Finance – Turning Money into Wealth, Prentice-Hall

Jack Kapoor, Les Dlabay & Robert Hughes, Personal Finance, McGraw-Hill

(Use the latest editions of the books)

Websites will shared in class

Assessment

The assessment for the course is a PASS or FAIL grade only.

The grade will be based on passing (achieving at least 60% overall) the two minute papers and your overall level of class participation and course attendance. **Blatant disregard of class regulations (see class participation section) including the frequent use of laptops and mobile phones amounting to more than 30% of class time, will result in fail grade (no negotiations or further discussions will be accepted once grades are released).**

Class participation

Surfing the internet is highly discouraged when the class is in session. Laptops should not be used during class sessions. Studies have shown that most people cannot learn effectively when they are distracted. Multi-tasking might work for menial tasks but it is ineffective when you are required to think and contribute.

It is important that students come to class prepared and actively participate in the discussions. **Frequency and quality of students' contribution (beyond the minimum level of regular attendance) will be a determinant in whether you pass or fail this course.** Evaluating the frequency and quality of a student's contribution to class relative to other students is at the discretion of the instructor.

Almost all participation noted by the instructor will increase the student's class participation grade, but negative class participation includes disrupting class (e.g. by coming in late), not paying attention during a student presentation, other forms of rudeness toward your fellow students, and a lack of cooperation with methods to ensure that no cheating occurs during minute papers and exams. Grading class participation is necessarily subjective and no subdivision of the grade will be available to students.

Course schedule and materials for each session

Day 1 (2 March): TOOLS FOR FINANCIAL PLANNING

Personal Financial Planning and Money Management Strategy

"Don't invest until you have a plan. Always remember that investing is a plan...not a product or procedure"

Robert Kiyosaki, Rich Dad's Guide to Investing

Day 1 (2 March): FIGURING WHERE YOU ARE

Creating a net worth statement & cash flow statement

Translating your financial goals from words to numbers

Timelines, present value, annuities calculations

Day 2 (3 March): PERSONAL FINANCING & PROTECTING YOUR WEALTH

Financing your Key Assets

Insurance and the relevant Policies for you

MINUTE PAPER #1

Day 2 (3 March): PERSONAL INVESTING I

Investing fundamentals

Day 3 (4 March): PERSONAL INVESTING II

Investing in Stocks, Bonds, Mutual Funds, Real Estate and Other Investment Alternatives

Day 3 (4 March): STRETCHING YOUR WEALTH

Retirement and Estate (inheritance) Planning

MINUTE PAPER #2