

**Business F725
Personal Financial Management
Summer 2013 Course Outline
Finance and Business Economics
DeGroote School of Business
McMaster University**

COURSE OBJECTIVE

This course covers various topics that are relevant to the financial decision making of individuals. These topics include the mathematics and statistics of personal finance; personal financial condition and goal setting; personal life cycle; personal income tax planning and strategies; personal risk management (i.e., life, health, disability and property insurance); debt and credit management (i.e., loans, lines of credit, etc.); renting, buying and financing a home; building an investment portfolio (i.e., types of investments and their risks and returns); and retirement planning. It is recommended for students who wish to plan for their financial futures as well as those who are considering careers in financial planning.

INSTRUCTOR AND CONTACT INFORMATION

Section 1: Thu 7:00 – 10:00
class Location: RJC/313

Keith MacInnes, CFA, CGMA, CMA, CPA/PFS (Delaware)

Instructor

macinnk@mcmaster.ca

Office: TBA

Office Hours: Thursday **5:30-6:30 p.m. and by appointment**

Tel: (905) 525-9140, TBA

(As office is shared by number of instructors, please do not leave messages)

Cell: (416) 917-6440

COURSE ELEMENTS

Credit Value:	3	Leadership:	Yes	IT skills:	No	Global view:	Yes
Avenue:	Yes	Ethics:	Yes	Numeracy:	Yes	Written skills:	Yes
Participation:	Yes	Innovation:	Yes	Group work:	Yes	Oral skills:	Yes
Evidence-based:	Yes	Experiential:	No	Final exam:	Yes	Guest speaker(s):	No

COURSE DESCRIPTION

The course covers key aspects of financial planning including the time value of money, setting financial goals, budgeting, personal income tax, insurance, debt and credit management, home ownership and investments.

LEARNING OUTCOMES

Upon completion of this course, students will be able to complete the following key tasks:

- Have a good understanding of various personal finance topics and financial tools;
- Be able to identify individuals' financial goals and the constraints that they face;
- Be able to come up with a plan to help individuals achieve their financial goals;
- Be prepared for future courses in financial planning; and
- Most importantly, be able to think logically and systematically, and to approach problems in a structured manner.

REQUIRED COURSE MATERIALS AND READINGS

- ☑ Avenue registration for course content, readings, and case materials <http://avenue.mcmaster.ca>.
- ☑ Personal Financial Planning, Fifth Edition, Ho and Robinson, Captus Press Inc., 2012.
- ☑ A Texas Instruments BA II Plus financial calculator is recommended and will be used in class. However, any calculator that performs time value of money functions is acceptable.

EVALUATION

A combination of lectures, discussion and problem solving. Students will be encouraged to think, analyze, evaluate, and problem-solve, not memorize. Students are expected to come to class on time and be prepared for the class, i.e., to have read the assigned reading and to have done the assigned problems. Your final grade will be calculated as follows:

Components and Weights

Class Contribution	5%
Group Assignment	20%
Midterm Exam	35%
Final Exam I	40%
Total	100%

NOTE: The use of a financial calculator is allowed during examinations in this course.

The group assignment report **must** be typed (double space). They can be completed in groups of no more than **3** students. The groups are to be organized by students themselves. Your mark will be first based on content, and second, on presentation. Presentation includes effective and correct use of the English language.

The assignment is due at the start of class indicated on the class schedule section of the course outline. Late assignments will not be accepted unless the student and the professor have made prior arrangements.

Each report must include an executive summary (maximum length of one page) outlining key issues and conclusion. Figures and tables should be put in an appendix at the end of the report. All tables and figures must be numbered and all pages (including pages with tables and figures) must also be numbered.

The midterm and final exams are open book. Students may use any aids with the exception of another person or a personal computer.

Students must pass the combination of the midterm and final exam in order to pass the course.

Class Contribution

Your contribution is essential component in the overall education process. Contribution takes place in many forms: asking informed questions in class, making intelligent comments, reading the case and being prepared to discuss the issues, actively listening to your peers and working with others. Please remember that quantity is no substitute for quality.

There will be ample opportunity to contribute to the class. The format of the in-class discussions of cases may take a variety of forms including: group analysis of single case issues during class, presentation of issues and leading discussions of the case issues.

It is your responsibility to ensure that you take an active role in class. If this is a problem for you, I urge you to talk to me to discuss ways that you can make a contribution. The grading for the class contribution in each class is as follows:

Grade	Contribution
0	Does not show up for class.
1	Attends class but says very little.
2	Makes a significant contribution to the class by making important points with a significant element of originality or demonstrating mastery of difficult theoretical issues or concepts; is always prepared having read and analyzed prior to class, the various aspects of the problems and issues involved, shares in class presentations, contributes to in-class group work.

Grade Conversion

At the end of the course your overall percentage grade will be converted to your letter grade in accordance with the following conversion scheme.

LETTER GRADE	PERCENT
A+	90 - 100
A	85 - 89
A-	80 - 84
B+	75 - 79
B	70 - 74
B-	60 - 69
F	00 - 59

Communication and Feedback

Students that are uncomfortable in directly approaching an instructor regarding a course concern may send a confidential and anonymous email to the respective Area Chair or Associate Dean:

<http://www.degroote.mcmaster.ca/curr/emailchairs.aspx>

Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Administrative Assistant.

Instructors are encouraged to conduct an informal course review with students by Week #4 to allow time for modifications in curriculum delivery. Instructors should provide evaluation feedback for at least 10% of the final grade to students prior to Week #8 in the term.

ACADEMIC DISHONESTY

It is the student's responsibility to understand what constitutes academic dishonesty. Please refer to the University Senate Academic Integrity Policy at the following URL:

<http://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicIntegrity.pdf>

This policy describes the responsibilities, procedures, and guidelines for students and faculty should a case of academic dishonesty arise. Academic dishonesty is defined as to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. Please refer to the policy for a list of examples. The policy also provides faculty with procedures to follow in cases of academic dishonesty as well as general guidelines for penalties. For further information related to the policy, please refer to the Office of Academic Integrity at:

<http://www.mcmaster.ca/academicintegrity>

MISSED ACADEMIC WORK

Missed Mid-Term Examinations / Tests / Class Participation

Where students miss a regularly scheduled mid-term or class participation for legitimate reasons as determined by the MBA Academic Services Office, the weight for that test/participation will be distributed across other evaluative components of the course at the discretion of the instructor. Documentation explaining such an absence must be provided to the MBA Academic Services Office within five (5) working days upon returning to school.

To document absences for health related reasons, please provide the Petition for Relief for MBA Missed Term Work and the McMaster University Student Health Certificate which can be found on the DeGroote website at <http://mbastudent.degroote.mcmaster.ca/forms-and-applications/>. Please do not use the online McMaster Student Absence Form as this is for Undergraduate students only. University policy states that a student may submit a maximum of three (3) medical certificates per year after which the student must meet with the Director of the program.

To document absences for reasons other than health related, please provide the Petition for Relief for MBA Missed Term Work and documentation supporting the reason for the absence.

Students unable to write a mid-term at the posted exam time due to the following reasons: religious; work-related (for part-time students only); representing university at an academic or varsity athletic event; conflicts between two overlapping scheduled mid-term exams; or other extenuating circumstances, have the option of applying for special exam arrangements. Such requests must be made to the MBA Academic Services Office at least ten (10) working days before the scheduled exam along with acceptable documentation. Instructors cannot themselves allow students to unofficially write make-up exams/tests. Adjudication of the request must be handled by the MBA Academic Services Office.

If a mid-term exam is missed without a valid reason, students will receive a grade of zero (0) for that component.

Missed Final Examinations

A student who misses a final examination without good reason will receive a mark of 0 on the examination.

All applications for deferred and special examination arrangements must be made to the MBA Academic Services Office. Failure to meet the stated deadlines may result in the denial of these arrangements. Deferred examination privileges, if granted, must be satisfied during the examination period at the end of the following term. There will be one common sitting for all deferred exams.

Failure to write an approved deferred examination at the pre-scheduled time will result in a failure for that examination, except in the case of exceptional circumstances where documentation has been provided and approved. Upon approval, no credit will be given for the

course, and the notation N.C. (no credit) will be placed on the student's transcript. Students receiving no credit for a required course must repeat the course. Optional or elective courses for which no credit is given may be repeated or replaced with another course of equal credit value.

Requests for a second deferral or rescheduling of a deferred examination will not be considered.

Any student who is unable to write a final examination because of illness is required to submit the Application for Deferred MBA Final Examination and a statement from a doctor certifying illness on the date of the examination. The Application for Deferred MBA Final Examination and the McMaster University Student Health Certificate can be found on the DeGroot website at <http://mbastudent.degroot.mcmaster.ca/forms-and-applications/> Please do not use the online McMaster Student Absence Form as this is for Undergraduate students only. Students who write examinations while ill will not be given special consideration after the fact.

In such cases, the request for a deferred examination privilege must be made in writing to the MBA Academic Services Office within five business days of the missed examination.

Special examination arrangements may be made for students unable to write at the posted exam time due to compelling reasons (for example religious, or for part-time students only, work-related reasons):

- Students who have religious obligations which make it impossible to write examinations at the times posted are required to produce a letter from their religious leader stating that they are unable to be present owing to a religious obligation.
- Part-time students who have business commitments which make it impossible to write examinations at the times posted are required to produce a letter on company letterhead from the student's immediate supervisor stating that they are unable to be present owing to a specific job commitment.

In such cases, applications must be made in writing to the MBA Academic Services Office at least ten business days before the scheduled examination date and acceptable documentation must be supplied.

If a student is representing the University at an academic or athletic event and is available at an overlapping scheduled time of the test/examination, the student may write the test/examination at an approved location with an approved invigilator, as determined by the MBA Academic Services Office.

In such cases, the request for a deferred examination privilege must be made in writing to the MBA Academic Services Office within ten business days of the end of the examination period.

Note: A fee of \$50 will be charged for a deferred exam written on campus and a fee of \$100 for deferred exams written elsewhere. In cases where the student's standing is in doubt, the Graduate Admissions and Study Committee may require that the student with one or more deferred examination privileges refrain from re-registering until the examination(s) have been cleared.

STUDENT ACCESSIBILITY SERVICES

Student Accessibility Services (SAS) offers various support services for students with disabilities. Students are required to inform SAS of accommodation needs for course work at the outset of term. Students must forward a copy of such SAS accommodation to the instructor normally, within the first three (3) weeks of classes by setting up an appointment with the instructor. If a student with a disability chooses NOT to take advantage of an SAS accommodation and chooses to sit for a regular exam, a petition for relief may not be filed after the examination is complete. The SAS website is:

<http://sas.mcmaster.ca>

POTENTIAL MODIFICATIONS TO THE COURSE

The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their McMaster email and course websites weekly during the term and to note any changes.

COURSE EVALUATION

A course evaluation will be conducted near the end of the term. Students are asked to participate in this evaluation.

COURSE SCHEDULE

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LECTURE	DATE	CHAPTER	
<i>Introduction:</i>	May 2	1	Introduction
		2	Time Value of Money
<i>Planning:</i>	May 9	3	Setting Goals and the Financial Planning Process
	May 16	4	Measuring and Controlling Personal Finances
		6	The Life Cycle and Financial Intermediation
<i>Income Taxes and Planning:</i>	May 23/30	7	Personal Income Tax
	June 6	8	Income Tax Planning
<i>Risk Management:</i>	June 13	9	Risk Management
	June 20		Midterm (Chapters 1 to 7)
	June 27	10 11	Life, Health and Disability Insurance Property, Home and Automobile Insurance
	July 4	12 13	Debt and Credit Management Buying a Home and Mortgage Financing
<i>Investments:</i>	July 11	14	Principles of Investment
	July 18	15	Types of Investments
	July 25	16	Group Assignment Due Mutual Funds
	July 27 – August 3		MBA Final Exams