

**Business F725
Personal Financial Management
Spring/Summer 2019 Course Outline**

**Finance and Business Economics Area
DeGroote School of Business
McMaster University**

COURSE OBJECTIVE

A major objective of the course is to provide students with the tools and skills needed to make sound financial decisions throughout their lives. Personal financial planning is the process of managing one's money to achieve personal economic satisfaction. This process involves setting realistic goals and organizing financial activities toward the achievement of the goals. It also depends on the increased control of financial affairs by avoiding excessive debt, building up wealth, and managing financial risk.

INSTRUCTOR AND CONTACT INFORMATION

Section 1: Mon 7:00 pm – 10:00 pm

Class Location: RJC/357

Sumit Bose, MBA CFP FMA CIWM FCSI

Instructor

sbose@mcmaster.ca

Office: RJC/231

Office Hours: before class and by appointment

Tel: (905) 525-9140 x 20694

(as office is used by various instructors, please do not leave messages)

Course website: <http://avenue.mcmaster.ca>

COURSE ELEMENTS

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

COURSE DESCRIPTION

This course is taught primarily through lectures but also includes cases and guest speakers. Students are expected to attend every class as class lectures can cover materials and cases not mentioned in the text book.

LEARNING OUTCOMES

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

- Provide a rigorous foundation of personal financial planning.
 - Provide the basic tools for financial planning.
 - Measuring and controlling household finance.
 - Building and managing investments.
 - Planning for unexpected contingencies.
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REQUIRED COURSE MATERIALS AND READINGS

Avenue registration for course content, readings and case materials

- <http://avenue.mcmaster.ca>
 - Personal Finance, Fourth Canadian Ed, Madura and Gill
 - purchase a copy at the bookstore
 - Texas Instruments BA II Plus financial calculator
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EVALUATION

All work will be evaluated on an individual basis except in certain cases where group work is expected. In these cases, group members will share the same grade. Your final grade will be calculated as follows

Components and Weights

Participation	In-class Contribution (individual)	10%
Mid-Term #1	Ch. 1-8: Multiple Choice Exam (individual)	25%
Assignment	Group Case Assignment	20%
Final Exam	Ch. 1-16: Cumulative Multiple-Choice Exam and essay or case-based (individual)	45%
Total		100%

NOTE: **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. The use of a McMaster standard calculator is allowed during examinations in this course. See McMaster calculator policy at the following URL:

www.mcmaster.ca/policy/Students-AcademicStudies/UndergraduateExaminationsPolicy.pdf

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	POINTS
A+	90-100	12
A	85-89	11
A-	80-84	10
B+	75-79	9
B	70-74	8
B-	60-69	7
F	00-59	0

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://mbastudent.degroote.mcmaster.ca/contact/anonymous/>

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.

GROUP CASE ASSIGNMENT

The group assignment is worth a total of **20%** of your final grade and group members will share the same grade. The final case, *distributed to the students during the course of the term*, will be solved and submitted for marking by students in groups. Students will form groups of **two** or **three**. A one- page sheet listing the names and signatures of the group members will be due **in class in the second week** of the term. All group members will be assigned identical grades for group work. More details of the format, structure, and content coverage will be provided during the course of the term.

The assignments are 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.

PARTICIPATION - IN CLASS CONTRIBUTION

It is imperative that students prepare for every class. No class attendance results in zero mark.

Name cards and class pictures are used to help give credit for your participation. You must have a name card with your **full first and last name** clearly written and displayed in front of you for every class.

Your contribution is an 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	Student 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.

Note that there is no partial (non-integer) participation grade awarded for a class. Students may be asked to share their detailed analysis with, or otherwise present their solutions to, the class in order for their contribution to be qualified as significant.

MID-TERM #1

Mid-Term #1 is multiple choice and closed book and accounts for **25%** of your final grade. The exam will cover material from the text book, readings, handouts, web site material assigned, lectures and class discussion.

FINAL EXAM

This exam will be cumulative. The final exam is closed book, multiple-choice and essay or case-based questions. The exam will cover material from the text book, readings, handouts, web site material assigned, lectures and class discussion.

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

USE OF CALCULATORS AND COMPUTERS

Students may use any calculator or computer during the term as aids. **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. Calculators are allowed during the exam, however, ***no calculator, computer, or device may be used to access the Internet during the course of a test or an exam.***

ACADEMIC DISHONESTY

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: "Grade of F assigned for academic dishonesty"), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the Academic Integrity Policy, located at:

www.mcmaster.ca/academicintegrity

The following illustrates only three forms of academic dishonesty:

1. Plagiarism, e.g. the submission of work that is not one's own or for which other credit has been obtained.
2. Improper collaboration in group work.
3. Copying or using unauthorized aids in tests and examinations

Language for Use in Courses with an On-Line Element

In this course we will be using X*. Students should be aware that when they access the electronic components of this course, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in this course will be deemed consent to this disclosure.

If you have any questions or concerns about such disclosure, please discuss this with the course instructor.

X* = e-mail, LearnLink, WebCT, web pages, capa, Moodle, ThinkingCap, etc

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 Student Experience – Academic (MBA) 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 Student Experience – Academic (MBA) office within five (5) working days upon returning to school.

To document absences for health related reasons, please provide to Student Experience – Academic (MBA) office 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 Student Experience – Academic (MBA) office 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 Student Experience – Academic (MBA) 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 Student Experience – Academic (MBA).

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 Student Experience – Academic (MBA) 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 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. 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 Student Experience – Academic (MBA) 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 Student Experience – Academic (MBA) 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 Student Experience – Academic (MBA) office.

In such cases, the request for a deferred examination privilege must be made in writing to the Student Experience – Academic (MBA) 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 MODIFICATION 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.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your registration and continuous participation (e.g. on A2L, in the classroom, etc.) to the various learning activities of MBA F725 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

COURSE EVALUATIONS

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

COURSE SCHEDULE

Business F725 Personal Financial Management Spring/Summer 2019 Course Outline Schedule

Week	Date	Topics	Chapters
Part I: The Foundations of Financial Planning and the Tools			
1	Apr 29	Overview of a Financial Plan	Chapter 1
2	May 6	Applying Time Value Concepts & Planning with Personal Financial Statements	Chapter 2 & 3
3	May 13	Using Tax Concepts for Planning	Chapter 4
	***May 20	***Victoria Day – No Class	
Part II: Managing Your Financial Resources			
4	May 27	Banking Services and Managing Your Money & Assessing, Managing, and Securing Your Credit	Chapter 5 & 6
5	Jun 3	Purchasing and Financing a Home	Chapter 7
6	June 10	Auto and Homeowner's Insurance Health and Life Insurance	Chapter 8 Chapter 9
	*Jun 15	MID-TERM #1 (Ch. 1-8: Multiple Choice Exam – Individual)	
Part III: Protecting Your Wealth			
8	June 17	Investing Fundamentals	Chapter 10
Part IV: Personal Investing			
9	June 24	Investing in Stocks	Chapter 11
	***July 1	***Canada Day – No Class	
10	Jul 8	Investing in Bonds & Investing in Mutual Funds	Chapter 12 & 13
Part V: Retirement And Estate Planning			
11	Jul 15	**Course Evaluations** Retirement Planning	Chapter 14
12	Jul 22	Group Case Assignment Due Estate Planning & Integrating the Components of a Financial Plan	Chapter 15 & 16
*July 27: Final Exam (Ch. 1-16 - cumulative)			

* Note: The midterm and Final Exams on June 15th and July 27th are Saturdays

** Course Evaluations: 10 minutes at the beginning of class. Bring your electronic devices.

*** Holiday – No Class