FIN 120 Personal Finance  
College of Charleston  
Course Syllabus

Instructor: Michael Barnes MBA  
Phone: 843-327-0326  
Email: mcbarmore@yahoo.com or barnesme@cofc.edu  
Class Location: Beatty Rm 216  
Office Hours: Office hours by appointments  
Class Meeting Time: Monday and Wednesday 5:30pm to 6:45pm

**NOTE:** It is your responsibility to read, understand and abide by all of the course information and policies listed below. Failure to do so could result in you failing this course or being withdrawn from this course by your instructor or by the Finance Department. The course syllabus provides a general plan for the course; deviations may be necessary.

**Course Overview:**

The class is a survey of course in consumer and personal finance. Topics include goal setting, cash management, budgeting, purchasing, insurance and investment analysis, tax planning, and estate planning. The course is “practical” as opposed to “theoretical” in content, and is presented from the consumer’s point of view. Students will learn several “how to’s.” Some examples include: how to create and use budgets, to purchase/lease a car, how to rent or buy a home, how to buy major appliances, how to choose and insurance/investment broker, and how to plan/pay for major life events like marriage, your children’s education, and retirement. Mastery of the course material will enable the student to more intelligently make financial decisions within their life.

**Learning Outcomes:**

1. Use of academic resources and student support services at College of Charleston, including the library, information technology, the Center for Student Learning, the Academic Advising and Planning Center, the office of Career Services, and other appropriate academic resources, student support services, and cultural resources;
2. Familiarity with appropriate data, information and knowledge-gathering techniques and research skills in the discipline;
3. Using appropriate critical thinking skills and problem-solving techniques in a variety of contexts;
4. Identify and evaluate both personal and financial goals as well as explore different career opportunities
5. Understand your risk/return profile with respect to investing and saving
6. Understand the value of networking through resume building and creating a linked-in account
7. Evaluate financial issues through a case study

Financial Computation – Students will understand mathematical procedures and tools to analyze and solve personal financial problems. They will demonstrate competency by preparing and maintaining financial records and interpreting financial information.

- **Credit Management** – use mathematical procedures to compute the cost of credit, calculate interest and determine payments
- **Financial Management** – use mathematical procedures to prepare a budget, maintain financial records, reconcile bank statements and determine net worth
- **Savings and Investment** – use financial procedures to calculate the purchase price of stock and bond transactions, compute interest and compare rates of return on investments
- **Taxation** – use mathematical procedures to compute and prepare income tax returns
  - **Technology Tools** – use appropriate technology to perform calculations, apply formulas and create graphs

**Course Prerequisite**

NONE

**Student Responsibility**

Textbook chapters are to read *before* the day that topic is covered in class, are listed in the course outline. Be sure to refer to the outline that corresponds to the class days for the course you attend. The Textbook has been designed as a self-directed learning guide. It is the responsibility of each student to know and understand the subject matter covered in each Textbook chapter whether or not the specific material is covered in class. Additionally, each student is responsible to know how to solve, before each scheduled exam, all the assignments and problems listed in the course outline for all of the chapters covered in that exam.

**Class Participation and Community:**

I encourage you to get involved—ask questions, answer them, and make comments. Your participation is vital to the life of the class. However, please do not talk when others are talking and make sure all phones, pagers and headsets are turned off at the beginning of each class session. This will help ensure no distractions to our discussions and demonstrate a respectful commitment to each other and our ideas.

**AACSB Assessment Criteria**

Porter and Mckibbon (1988) argue that a disconnect exists between business school education and the practices that are used in corporate America. This same concern is given in a report by
the AACSB according to Olian, Griffen, Liverpool and Thomas (2002). They state that “business education is inadequate for preparing future business leaders… (p 20). AACSB argues that “The most effective learning takes place when students are involved in the educational experiences. Passive learning is ineffective and of short duration. Faculty members should develop techniques and styles that engage students and make students responsible for meeting learning goals. Many pedagogical approaches are suitable for challenging students in this way—problem based learning (Scherperreel and Bowers, 2006), projects, simulations, etc. (p 57).” This criterion is a response to the AACSB’s call for innovation. The goals of College of Charleston’s bank management and financial institution course are provided below.

The School of Business learning goals
Goal 1: Global and Civic Responsibility:

Objective: Students will be able to identify and define social, ethical, and economic challenges at local, national and international levels. Students will also be able to integrate knowledge and skills in addressing these issues.

Implementation: Students will have to analyze case studies of community and commercial banking systems to determine strengths, weaknesses, opportunities, and threats from a management perspective. The students will review why a bank or financial institutional makes necessary policy changes that affect their commercial and retail clients domestically and globally.

Demonstration of Achievement: Each student will display an understanding through a written report that provides a trend analysis of specific community, thrift and money market banks.

Goal 2: Intellectual Innovation and Creativity:

Objective: Students will recognize and examine the global implications of business decisions while evaluating and integrating innovative applications of these implications utilizing relevant discipline specific knowledge. In order for the students to complete this component students will have to learn the varying laws and regulations that govern the banking industry. The creativity the students will learn encompasses how banks will be profitable for their stockholders and clients within the confines of domestic and international oversight.

Implementation: Each student will be able to identify a company’s existing and potential international and domestic competition in the comparables approach of valuation analysis. The bank valuation report will engage the students learning an institution’s products and services, market share, and global competition.

Demonstration of Achievement: The course syllabus has a book report component that centers on the bank system. The book report will allow the students to see banking decisions from a “C” management level and understand ways to help a bank avoid pitfalls that plagued the banking industry.
Goal 3: Quantitative Fluency

Objective: Students will demonstrate critical thinking skills in identifying and evaluating problems and opportunities in the banking environment and apply analytical techniques to formulate creative solutions utilizing relevant discipline specific knowledge.

Implementation: The valuation project requires the design of multiple spreadsheets to estimate firm value. The inputs for the spreadsheets depend upon the assumptions derived from financial statements, corporate market information and published industry data.

Demonstration of Achievement: The student is expected to attain 70% or higher on the written and oral portions of the completed bank valuation project. Essay and advanced level quantitative problems will test the student’s knowledge of ratio analysis, cash flow projection, return on equity calculations, and other financial areas. Each student is required to pass the introductory accounting and economic courses as prerequisites for this course.

Goal 4: Effective Writing and Oral Communication: Practical Application

Objective: Students will be able to convey ideas through effective oral and written communication. The objective is to force the student to write a technical analysis that goes beyond the simplified valuation methodology presented in instruction to financial management text book.

Implementation: The student will complete a research valuation paper based upon a private or publically traded financial institution that is rapidly growing or in financial distress. Individual and team assignments are part of the class.

Demonstration of Achievement: They will write and present professional documents that are technically correct and concise as well as utilizing relevant discipline specific knowledge. Students will evaluate the performance of other students within the class. Each student will also receive a grade for the written and oral component.

Goal 5: Technological Sophistication

Objective: Students should be technologically proficient within the finance discipline.

Implementation: Students will be required to estimate the weighted average cost of capital using regression analysis over different time periods. They will use excel and other applications to design spread sheets for the different valuation methodologies.

Demonstration of Achievement: The course outline will require the proficiency of certain technological skills in order to complete the bank valuation report. Discussions during class will require the student to demonstrate technical skills in solving problems related to liquidity, annual percentage yields, available funds gap and other financial analysis equations.
Goal 6: Synthesis: Improved Knowledge and Retention

Objective: Students should be able to understand and analyze complex business issues with quantitative and qualitative models. They will be able to recommend solutions within a practical corporate setting both oral and written formats.

Implementation: The student will be tested with embedded question on exams and valuation assignments.

Demonstration of Achievement: Students are expected to attain a 70% or higher on the comprehensive final exam.

Goal 7: Cross Disciplinary Knowledge and Application: Marketing, Management, and Finance

Objective: Students will develop an understanding of the theories, concepts, and skills relevant to finance, marketing and management and how these subjects interrelate within a valuation project. Active learning will replace passive learning.

Implementation: Students will be able to apply financial theoretical knowledge such as sustainable growth’s link to marketing/management sales objective within an interdisciplinary framework.

Demonstration of Achievement: The students will conduct an informational interview of a retail branch manager. In the interview the students will approach managers with questions regarding marketing techniques, products and services and how they impact the balance sheet, and how does the manager coach the team in executing the bank’s mission on a daily basis.

Goal 8: Interpersonal Skills

Objective: Each student will develop the ability to work in teams and have leadership, time management, conflict management and multitasking skills. The intent is to make sure that students can work within an organizational culture that values high expectations and requires respect for diverse talents and learning styles.

Implementation: The student will be required to collaborate with a teacher selected group for at least one assignment.

Demonstration of Achievement: Each student and the teacher will grade an individual person on leadership, team work, time management, creativity, conflict management and multitasking. The evaluations will be based on written assignments, oral presentations, bank valuation project and information interview. Students take on a significant self-management role in the class.

Attendance

Each student is expected to attend ALL scheduled class meetings for the entire duration of the class meeting. An attendance sign-up sheet will be circulated each class period. It is your
responsibility to sign the attendance sheet. If you do not sign the list, you will be considered absent. The attendance sheet may be circulated at any time during the class period (at the beginning of class, middle of class or at the end of the class) and may be circulated twice during the same class period. If you do not sign the attendance sheet when circulated or if you do not sign the attendance sheet both times it may be circulated during a given class period, you will be considered absent. Students arriving late may be permitted to sign the sheet only at the discretion of the instructor.

An absence from class for any reason (job conflict, illness, appearance in court, transportation problems, travel, athletic event, etc.), even if permitted and/or excused by your instructor, will count as one of the class absences against the three-week equivalent cumulative limit specified above. **If a student is withdrawn for excessive absences, a final grade of WF will be assigned.** There will be no exception to this policy.

**College of Charleston Honor Code and Academic Integrity**

Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved.

Incidents where the instructor determines the student’s actions are related more to a misunderstanding will handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The intervention, submitted by form and signed both by the instructor and the student, will be forwarded to the Dean of Students and placed in the student’s file.

Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor Board for academic dishonesty will receive a XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student’s transcript for two years after which the student may petition for the X to be expunged. The student may also be placed on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board.

Students should be aware that unauthorized collaboration--working together without permission--is a form of cheating. Unless the instructor specifies that students can work together on an assignment, quiz and/or test, no collaboration during the completion of the assignment is permitted. Other forms of cheating include possessing or using an unauthorized study aid (which could include accessing information via a cell phone or computer), copying from others’ exams, fabricating data, and giving unauthorized assistance.

Research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the instructor.

Students can find the complete Honor Code and all related processes in the **Student Handbook** at [http://studentaffairs.cofc.edu/honor-system/studenthandbook/index.php](http://studentaffairs.cofc.edu/honor-system/studenthandbook/index.php)
Students with Disabilities

If there is a student in the class who has a documented disability and has been approved to receive accommodations through the Center for Disability Services / SNAP, please come and discuss this with me during my office hours.

Required Material:

The following Textbooks must be purchased:

Personal Finance, Kapoor, Dlabay and Hughes, Eleventh Edition

Calculator:

Many Textbook problems require complex arithmetic operations, and a financial calculator is necessary to solve these problems efficiently. This is especially true for exams. I recommend that you use the Texas Instruments BA II Plus.

Important Websites:

Present Value/Future Value calculations: http://www.uic.edu/classes/actg/actg500/pfvatutor.htm
Credit Reports: https://www.annualcreditreport.com
Mortgage Calculator: http://finance.yahoo.com/real-estate then select Comprehensive Mortgage Calculator

Grades:

Attendance 10%
Resume Review 10%
Bank Appointment/Presentation 10%
Midterm 1 15%
Midterm 2 15%
Final Exam 20%
Personal Financial Plan 20%

Grading:
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**Make up examinations are never given.** Class starts promptly at the scheduled time. If you will be unable to arrive on time, you should withdraw from the course.

Withdrawal: Note that “W” is not automatic. You must be doing passing work. Withdrawal before the first examination does not guarantee a “W” because of the importance of class participation and the quizzes to the course grade.

**Center for Student Learning**

I encourage you to utilize the Center for Student Learning’s (CSL) academic support services for assistance in study strategies, speaking & writing skills, and course content. They offer tutoring, Supplemental Instruction, study skills appointments, and workshops. Students of all abilities have become more successful using these programs throughout their academic career and the services are available to you at no additional cost. For more information regarding these services please visit the CSL website at [http://csl.cofc.edu](http://csl.cofc.edu) or call (843)953-5635.

**Assignments:**

1. **Resume Building:** Student will build a functional or Chronological resume. They will set up an appointment with the College of Charleston Career Center and have the resume reviewed and signed by a counsellor.
2. **Bank Appointment:** The student to visit their local bank in the Charleston and conduct a personal finance assessment with a Personal Banker in the branch.
   
   **Result:**
   
   - The student must receive 2 forms of banking information that pertain to current or future financial goals
   - The students will present their findings before the class in a 5 minute presentation.

   **Presentation:**
   
   - Clear communication, in front of the class
   - Understanding of information given to them by the Banker
   - Short history or summary about the bank they had the appointment with
Able to answer any questions by the instructor concerning the information presented

3. Personal Financial Plan

**Course Outline**

1/12  First day and Overview of Class
1/14  Chapter 1 Personal Finance Basics and Time Value of Money
1/21, 1/26  Chapter 2 Financial Aspects of Career Planning
1/28  Chapter 3 Financial Statements and Budgeting
2/2  Chapter 4 Planning Your Tax Strategy
2/4, 2/9  Chapter 5 Savings Plans and Payment Accounts
2/11  Guest Speaker (Personal Banker, explaining Savings Accounts)
2/16  **Midterm (Chapters 1,2,3,4,5)**
2/18  Chapter 6 Introduction to Consumer Credit
2/18  Resume Review from career center due
2/23  Chapter 7 Choosing a Source of Credit
2/25  Chapter 8 Consumer Purchasing Strategies and Legal Protection

**March 1-8**  Spring Break

3/9, 3/11  Chapter 9 Housing Decision
3/16  **Midterm (Chapters 6,7,8,9)**
3/18  Chapter 11 Health, Disability and Long Term Care Insurance
3/23, 3/25  Chapter 12 Life Insurance
3/30, 4/1  Chapter 13 Investment Fundamentals
4/6, 4/8  Chapter 14, 15 Investing in Stocks and Bonds
4/13  Chapter 16 Investing Mutual Funds
4/15  Chapter 18 Retirement Planning
4/20, 4/22  Bank Account Presentation

4/20  Final Personal Plan can start being turn in for grade.

4/27  Personal Financial Plan Due; email to instructor

4/29  Final Exam 4:00-7:00 Beatty Rm 216 (Chapters 11,12,13,14,15,18)
Personal Financial Plan

Objective: develop a short term and long term personal financial plan to be utilized for class purposes or in real life.

The plan will encompass 1 and 5 years of stage in life. The content of the plan will be two-fold: excel spreadsheet presenting estimated calculations and a sector for data/numerical justification. Based on syllabus designated dates, the student will email to barnesmc@cofc.edu various stages of the plan for review by the instructor. The instructor will then send feedback to help sharpen, change or enhance the plan. At the end of the semester the student will turn in the final plan in written form. The length of the plan will be dependent on the student. The plan should be no less than 3 pages (front and back) in length.

What will be graded? (20 points each)

1. Presentation of information (is the information easy to read and to follow; there will be points given for creativity)
2. Accuracy of the data; calculations are correct on the excel sheet, numbers are believable and realistic
3. Depth of research; a bibliography for websites, book, and interviews will be required
4. Writing content; explanation or justification of various points of discussion

Excel Sheet Items: (Monthly expenses and annual incomes)

Food
Child care
Medical
Housing
Auto/Transportation (designate separately in the plan estimated auto payment and transportation cost ie gas, public transportation or parking depending on the city lived)
Other (includes entertainment, person supplies, etc.)
Education cost (can include payment of current school loan or cost of further education depending on occupation)
Required monthly income after taxes
Required annual income after taxes
Annual taxes

Required annual income before taxes

Explanation Section:

This section is designed to present research and explanation of why the student chose the data they used on the excel spreadsheet. In each section there will be details of research needed. The student will receive a grade based on the level of research and the explanation of why they chose a particular course of action.

Goals:

In the beginning of the Plan the student will present overall goals of their plan. The goals will present what the students wants to achieve in their first year in college and 5 years after their first year. The student can break their plan in to the two sections and explain where they want to be financially in all two stages. The spreadsheet and the justification section is the road map on how the student will achieve those goals.

Road Map Section:

This section is designed to present research and information gathered to justify the data used on the excel spread sheets. Below are the areas to research:

A. Career Plan: this is the data used in the income section of the plan
   1. The student will choose the top 3 three industries they want to work in. The research will involve data of average salaries for each industry; benefits in the industry;
   2. The student will choose their top 3 cities to live and work. The cities will coincide with other data needed in the plan. The salaries presented must connect to the cities chosen.
   3. Within the industry, the student must choose a specific job title to pursue; also show the average salary and benefits in the job title.
   4. Note the career plan must be for each year stage, 1 and 5 years. For example: if a student wants to be a lawyer their plan will have in the first year will an internship while in college in the city of Charleston at a local law firm. Within the plan also note promotions at the 5 year stage if applicable. The plan should show what the promotion title and the average salary for a person with the new title and in the designated city.
   5. Bonus points: Conduct an interview with a person in the field or job of interest. The short interview must answer the following questions:
      - How long have you been in the job and/or industry?
      - How did you find this opportunity?
      - What tips would you give a person that wants to be in the industry?

B. Housing Plan: this is the data focusing on renting or buying housing.
Use the three cities to do part one of the comparisons; the other comparison is renting verses buying;

1. Rental averages for a 2 bedroom apartment and townhome; buying a 2 bedroom house;
   site various rental properties; the student can also quote rental homes (is using rental
   homes show down payments and other cost associated with getting in the home)

2. The data should presented should be for all three year stages

3. If buying, show the “mortgage calculator” information to justify the data on the excel
   spreadsheet. (Reference the site used to calculate the monthly cost of the home; the
   calculations should include down payment, PMI, taxes, debt to income ratio, and any
   anticipated debt which will affect the debt to income ratio).

C. Auto Plan:
   Discuss the three annual stages the cost of a car. In the plan present ideas like used verses
   new; leasing verses purchasing. In the plan show the insurance for the three cities.

D. Insurance: present the different insurances that are part of the plan. If the student wants
   insurance for self or family; work related insurance (if using work related insurance the plan
   need to be related to the specific jobs presented)

E. Credit Cards: in the plan show 5 different credit card services and justify which card(s)

F. Note: If the student plans owning a business there should be a section on the spreadsheet
   for Self Employment. That section will have categories for Taxes and expenses and possible
   profitability. In the Road map section, present the reason behind self-employment a short
   business plan around the idea.

G. Retirement plan: present 3 retirement structures with comparisons; justify the plan based
   on the annual stage

H. Education Plan: this section can be expenses if the student plans on furthering their
   education and their current loan expenses. The detailed plan should include getting a
   Masters or some other certification.

I. Wealth Development Plan: develop a plan for building wealth; the data in the spreadsheet
   should be an estimate of the possible income for the plan at each stage of the plan. Justify
   any purchases like real estate; investment ideas (stock and bonds) or career development
   (promotions and advancements)

Note: In the 1 and 5 years ideas and plan please include information concerning developing a family if
applicable. If the overall goal is to develop a family with in the designated time frame then data and
explanation should reflect either additional income or/and additional expenses.