



UNIVERSITY OF
ARKANSAS
SAM M. WALTON
COLLEGE OF BUSINESS

COURSE SYLLABUS

Course: **FINN 1003 Your Money and Credit**

Course Description:

The course “Your Money and Credit: Introduction to Personal Finance” seeks to provide students with an introduction to personal finance. Topics include building wealth, including the do’s and don’ts of credit, car and home ownership. Lectures will cover theory and concepts, including videos of lessons from “the masters,” financial simulations, and case exercises. The course will be available in the spring, summer, and fall. The course is non-degree credit for business majors.

Course Objective:

The primary objective of this course is to teach students about personal finance in theory and in practice. Personal finance topics covered will include personal finance planning, money management skills, taxes, savings and payment services, consumer credit, and consumer purchasing, including the wise purchase of motor vehicles. The course will also cover basic insurance and investing, including investment vehicles like stocks, bonds, and mutual funds. A secondary objective is to introduce students to some of the concepts of “the masters” of personal financial planning, including Suze Orman, Dave Ramsey, and Robert Kiyosaki. Videos on selected personal finance topics will form an important part of the course. A tertiary objective is to acquaint students with some of the financial planning resources that are available, including systems for organizing spending and savings, record keeping, and budgeting. Students will be required to generate documents that address some of their basic financial planning needs by the end of the course.

Value of the Course:

Students who take this course will receive state-of-the-art instruction in personal financial planning at the introductory level. They will obtain hands-on experience in all major aspects of personal financial planning. They will learn concepts that will keep them out of financial trouble during and after their college years (think defense) and help make them financially independent at the earliest possible time soon after graduation (think offense).

Teaching Philosophy:

The goal of the instructor of this course will be to combine the academic materials with the “real world” experiences developed during more than 25 years in the Financial Services marketplace.

Required Texts:

Kappoor, Jack R., Les R. Dlaqbay, and Robert J. Hughes, *Focus on Personal Finance: An Active Approach to Help You Develop Successful Financial Skills*, 3rd ed., McGraw-Hill Irwin, 2009.

Suggested Supplementary Readings, etc.

Kiyosaki, Robert T., *Rich Dad Poor Dad: What the Rich Teach Their Kids About Money – That the Poor and the Middle Class Do Not.*

Stanley, Thomas J., and William D. Danko, *The Millionaire Next Door*.
 Suze Orman, *The Ultimate Protection Portfolio*, from suzeorman.com
 Dave Ramsey, *The FPU Envelope System*, from daveramsey.com

The required text contains conceptual material used throughout the course. Suggested supplementary readings, etc., include mass market books and two organization systems referred to during specific parts of the course. Students need not purchase suggested supplementary readings.

Grading:

Grading will be as follows:

In-class quizzes (typically 3 questions, 25 throughout the course)	25%
Mid-term exam	25%
Final exam	25%
Course project (personal financial plan, incl. budget, spending record, etc.)	25%

Parts of the course project (e.g., budgets, etc.) may be assigned as homework throughout the course. It will be the student’s responsibility to ensure that their course project, as handed in, has all sensitive information removed to protect the student’s identity.

TENTATIVE SCHEDULE:

Dates *TBA*

1. Introduction – “What is Money?” (DVD)
2. Personal Financial Planning in Action (Kapoor ch. 1)
 - Exhibit 1-1 Financial Planning Influences, Goals, Activities
 - Write your Financial Goals (p.10)
3. Personal Financial Planning in Action (contd.)
 - Time value of money
 - A plan for personal financial planning
 - Personal financial data (p.29), career plan (p. 32)
4. Money Management Skills (Kapoor ch. 2)
 - Store and maintain personal financial records and documents (p.48)
 - Suze Orman’s “The Ultimate Protection Portfolio” – collect documents
5. Money Management (contd.)
 - Suze Orman “The 9 Steps to Financial Freedom” (DVD)
6. Money Management (contd.)
 - Balance Sheet (Kapoor p. 49-51)
 - Cash Flow Statement (Kapoor p. 52-55)
7. Money Management (contd.)
 - Develop a budget (Kapoor p. 55-61)
 - Dave Ramsey’s “The FPU Envelope System”
 - Saving techniques (Kapoor p.61-64)
 - Money management assignment (Kapoor p. 71-74)
8. Taxes (Kapoor, ch. 3)
 - Exercises (Kapoor p. 106, 107)
9. Savings (Kapoor ch. 4)
 - Financial services institutions (p. 115)
 - Savings accounts
 - Checking accounts (and how to balance a check book)
 - Certificates of deposit

- Money market accounts and funds
 - U.S. Savings Bonds (EE and H)
 - Education savings plans
10. Savings (contd.)
 - Guest speaker (banker)
 - Federal Reserve Bank of New York, The Story of Banks (comic book)
 11. Savings (contd.)
 - Spending diary
 - Dave Ramsey's "The FPU Envelope System"
 - Federal Reserve Bank of New York, A Penny Saved... (comic book)
 12. Consumer Credit (Kapoor ch. 5)
 - "The Wise Use of Credit" (DVD)
 - Advantages and disadvantages (Kapoor p. 144-45)
 - Types of credit (Kapoor p. 146-151)
 13. Consumer Credit (contd.)
 - Credit cards (Kapoor p. 151-152)
 - The Federal Reserve Board, "Choosing a Credit Card" - assignment
 - Applying for credit (Kapoor p. 153-57)
 - The Five Cs of Credit (Kapoor p. 157)
 14. Consumer Credit (contd.)
 - Credit report (Kapoor p. 159-162)
 - Cost of credit (Kapoor p. 163-169)
 - Protecting your credit (Kapoor p. 169-177)
 - Assignment – Kapoor p. 184-186)
 15. Identity Theft
 - Guest speaker (banker)
 - Assignment – request a copy of your credit report
 16. Mid-term exam
 17. Consumer Purchasing Strategies (Kapoor ch. 6)
 - Consumer buying activities (Kapoor p. 188-207)
 - Assignment – Kapoor p. 213-215
 18. Suze Orman, "The Laws of Money, the Lessons of Life" (DVD)
 19. Housing (Kapoor ch. 7)
 20. Insurance (Kapoor ch. 8, 9, 10)
 - Property and casualty insurance, health and disability insurance, life insurance
 - Assignment (Kapoor p. 281-85, 317-18, 345-46)
 21. Suze Orman, "The Road to Wealth" (DVD)
 22. Investing Basics (Kapoor ch. 11)
 - Establishing investment goals (Kapoor p. 350)
 - Emergency fund (Kapoor p. 351)
 - Surviving a financial crisis (Kapoor p. 351-52)
 - Long-term investment programs (401(k), IRAs, etc.) (Kapoor p. 353-54)
 23. Investing Basics (contd.)
 - Safety vs. risk (Kapoor p. 356-59)
 - Federal Reserve Bank of New York, "The Story of Inflation" (comic book)
 - Types of income (Kapoor p. 359-361)
 - Portfolio management and asset allocation (Kapoor p. 361-62)
 24. Investing in Bonds (Kapoor ch. 11 (contd.))
 - U.S. Treasury Bills, Notes, Bonds, Treasury Inflation-Protected Securities (TIPS), Federal Agency Debt, State and Local Government Securities (Kapoor p. 366-367)
 - Corporate bonds (Kapoor p. 369-75)
 - Bond ratings (Kapoor p. 376-77)
 - Bond yield (Kapoor p. 377)
 - Assignment – Kapoor p. 386-87, and a Treasury Direct application package

25. Investing in Stocks (Kapoor ch. 12)
 - Common and preferred stock (Kapoor p. 390-97)
 - Stock advisory services (Kapoor p. 400-402)
 - Numerical measures (Kapoor p. 403-407)
 - Buying and selling stocks (Kapoor p. 408-09, 410-11)
 - Long-term techniques (Kapoor p. 414, 416)
 - Short-term techniques (Kapoor p. 416-418)
 - Assignment – get DRIP information on a stock, and a brokerage application package
26. Investing in Mutual Funds (Kapoor ch. 13)
 - Why Investors Purchase Mutual Funds (Kapoor p. 430)
 - Characteristics of Funds (Kapoor p. 430-444)
 - Professional advisory services (Kapoor p. 444-446)
 - The Mutual Fund Prospectus and Annual Report (Kapoor p. 446)
 - Assignment – Kapoor p. 463-64, and get an Annual Report and Prospectus for a Fund
27. Pension Plans and Retirement Income (part of Kapoor ch. 14)
 - Employer pension plans (p. 472-75)
 - Public pension Plans (p. 475-76)
 - Personal retirement plans (p. 477-80)
28. “Understanding the Dollar” (DVD); “In plain English: Making Sense of the Federal Reserve” (DVD)
29. Suze Orman, “The Courage to be Rich” (DVD)
 - Term project (personal financial plan) is due
30. Final Exam