FMSC 341, Section 0201, Personal and Family Finance
Semester: Winter, 2015
ONLINE

Instructor: Bill Knight
Email: wknight@umd.edu

Required Textbook:
Garman, Thomas E. & Raymond E. Forgue, *Personal Finance, 11e* (South-Western)

Course Description:

The study of individual and family financial strategies with particular emphasis upon financial planning, saving, investment, income taxes, housing, and the use of credit. Because the optimal financial strategy will change with fluctuations in the economy, the course will begin with a considerable emphasis upon the factors that will affect the level of economic activity, inflation, interest rates, and asset prices. The basics of accounting will be considered in the next section - particularly the concepts of assets, liabilities, equity, debits and credits. From there, balance sheets, income statements and methods of cash flow management will be discussed. Consumer credit and large purchases (e.g., housing and automobiles) will be the focus of the next two sections. The fifth section will deal with investment strategies and planning for retirement. In addition to a description of secondary security markets, there will be an emphasis on how macroeconomic factors will affect the prices of stocks and bonds. In addition, financial analysis will be used to determine the optimal retirement strategy.

A course outline can be found in the class Web site on ELMS.

Course Learning Objectives:
Upon completing this course, the student will be able to:
1. Understand the effects that economic fluctuations will have on the value of assets
2. Use the “Time Value of Money” formulas to compute present and future values, both of an amount and an annuity
3. Construct a balance sheet, income statement and a budget.
4. Understand the tax implications of a variety of investment options
5. Explain the benefits and costs of credit
6. Determine the optimal form of financing for “big ticket” items, such as automobiles
7. Outline and explain the variables associated with the purchase of a home.
8. List the criteria one would use to choose among investment options.
9. Understand the difference between stocks and bonds and why an investor would want to hold both.
10. List the factors that one must consider to determine the best retirement plan.

**Program Competencies Addressed in this Course:**
The following competencies for Family Science are addressed in this course:
1. Evaluate personal and the family’s financial health and create a budget.
2. Understand the U.S. tax system and use effective tax planning strategies to manage your taxes.
3. Choose the right bank or financial institution to manage your cash and savings,
4. Make wise credit card and consumer loan decisions.
5. Learn how to purchase and finance an automobile or a home.
6. Grow money by investing in stocks, bonds, and mutual funds, and
7. Plan for retirement and preserve estate.
8. Analyze and critique the range of social structures and systems such as health, legal, and economic organizations that affect family well being.

**Grading Policy**
The course will consist of **five open-book quizzes, three small projects, and a comprehensive final exam**. Instructions on submitting the assignments will be posted in the ANNOUNCEMENTS section a week before each is due. The five quizzes will each count for 12% of your final grade. Quizzes cannot be made up. You may submit a quiz marginally late in extremely extenuating circumstances, but lateness will carry a penalty irrespective of the circumstances (10 points per day). I urge you to take note of the quiz schedule and give yourself a time buffer so that eleventh hour contingencies will not affect your grade. If you do not submit a quiz you will receive a grade of 0. Each of your projects will be described in the ASSIGNMENTS section. Two of the three will be submitted as an EXCEL spreadsheet and each will count 7% toward your final grade. The third project, a 3 – 5 page term paper, will count 9% toward your final grade. As with the quizzes, late submission will cost you ten points per day. Your final exam will be an open-book, take-at-home test will count for 17% of your final course grade. The material covered on the final exam will be taken from the quizzes and will be primarily in multiple-choice form, but there will be some non-multiple choice questions as well. You'll learn much more about the final exam near the end of the semester. In conclusion, your
five quizzes will account for a total of 12% of your grade, your three project will count for a total of 23% of your grade, and your final will account for 17% of your grade.

<table>
<thead>
<tr>
<th>Summary of Grading Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Item</strong></td>
</tr>
<tr>
<td>Quiz 1</td>
</tr>
<tr>
<td>Quiz 2</td>
</tr>
<tr>
<td>Quiz 3</td>
</tr>
<tr>
<td>Quiz 4</td>
</tr>
<tr>
<td>Quiz 5</td>
</tr>
<tr>
<td>Project 1</td>
</tr>
<tr>
<td>Project 2</td>
</tr>
<tr>
<td>Project 3</td>
</tr>
<tr>
<td>Final Exam</td>
</tr>
</tbody>
</table>

Total = 100% (100%-90% = A, 89%-80% = B, 79%-70% = C, 69%-60% = D, 59% and below = F). The University requires that I assign pluses and minus to these grades where necessary.

Schedule of Assignments
FMSC 341, Personal and Family Finance  
Winter, 2012 -- Schedule of Assignments (Due Dates)

<table>
<thead>
<tr>
<th>Date</th>
<th>Assignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/8/14</td>
<td>Quiz #1 Modules I &amp; II</td>
</tr>
<tr>
<td>1/12/14</td>
<td>Quiz #2 Module III - V</td>
</tr>
<tr>
<td>1/15/14</td>
<td>Quiz #3 Modules VI &amp; VII</td>
</tr>
<tr>
<td>1/18/14</td>
<td>Quiz #4 Module VIII &amp; IX</td>
</tr>
<tr>
<td>1/21/14</td>
<td>Quiz #5 Module X &amp; XI</td>
</tr>
<tr>
<td>1/13/14</td>
<td>Proj. 1 Journal, Income Statement, Balance Sheet &amp; Budget</td>
</tr>
<tr>
<td>1/16/14</td>
<td>Proj. 2 Loan Repayment Schedule</td>
</tr>
<tr>
<td>1/22/14</td>
<td>Proj. 3 Mutual Fund research.</td>
</tr>
<tr>
<td>1/23/14</td>
<td>Final Exam</td>
</tr>
</tbody>
</table>

Course Policies:

- **Late work and Missed Exams / Assignments:** Quizzes cannot be made up. They can be submitted marginally late as a result of extremely extenuating circumstances (the criterion for which will be the instructors subjective evaluation of the excuse), but irrespective of the reason, there will be a 10 point deduction for each day late.

- **Religious Observances:**
  The University System of Maryland policy provides that students should not be penalized because of observances of their religious beliefs; students shall be given an opportunity, whenever feasible, to make up within a reasonable time any academic assignment that is missed due to individual participation in religious observances. **It is the student’s responsibility to inform the instructor in advance of any intended absences for religious observance.**

- **Special Accommodations / Disability Support Services:**
  If you have a documented disability and wish to discuss academic accommodations for test taking or other needs, you will need documentation from Disability Support Service (301-314-7682). If you are ill or encountering personal difficulties, please let the instructor know as soon as possible. You can also contact Learning Assistance Services (301-314-7693) and/or the Counseling Center (301-314-7651) for assistance.

- **Academic Integrity:**
  The University's code of academic integrity is designed to ensure that the principle of
academic honesty is upheld. Any of the following acts, when committed by a student, constitutes academic dishonesty:

- **CHEATING**: intentionally using or attempting to use unauthorized materials, information, or study aids in an academic exercise.
- **FABRICATION**: intentional and unauthorized falsification or invention of any information or citation in an academic exercise.
- **FACILITATING ACADEMIC DISHONESTY**: intentionally or knowingly helping or attempting to help another to violate any provision of this code.
- **PLAGIARISM**: intentionally or knowingly representing the words or ideas of another as one's own in any academic exercise.

For more information see: [http://www.shc.umd.edu/code.html](http://www.shc.umd.edu/code.html).

The University of Maryland, College Park has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. This Code sets standards for academic integrity at Maryland for all undergraduate and graduate students. As a student you are responsible for upholding these standards for this course. It is very important for you to be aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For more information on the Code of Academic Integrity or the Student Honor Council, please visit [http://www.shc.umd.edu](http://www.shc.umd.edu).

**Inclement Weather / University Closings:**

In the event that the University is closed for an emergency or extended period of time, the instructor will communicate to students regarding schedule adjustments, including rescheduling of examinations and assignments due to inclement weather and campus emergencies. Official closures and delays are announced on the campus website ([http://www.umd.edu](http://www.umd.edu)) and snow phone line (301-405-SNOW), as well as local radio and TV stations.

**Available Support Services:**

If you have a documented disability and wish to discuss academic accommodations for test taking or other needs, you will need documentation from Disability Support Service (301-314-7682). If you are ill or encountering personal difficulties, please let the instructor know as soon as possible. You can also contact Learning Assistance Services (301-314-7693) and/or the Counseling Center (301-314-7651) for assistance.