

**SYLLABUS**  
**ECFI 205: ESSENTIALS OF PERSONAL FINANCE**

**INSTRUCTOR**

Dr. Rory L. Terry

**CONTACTING ME**

To contact me: call me at 785-628-5337 during my office hours, visit my office during office hours (McCartney 203D), or email me at [rterry@fhsu.edu](mailto:rterry@fhsu.edu). I caution you in advance that I am not terribly reliable regarding returning emails. To visit with me other than office hours, make an appointment—I would love to visit with you.

**TEACHING SCHEDULE**

See the schedule titled My Weekly Schedule.

**DESCRIPTION**

Critical thinking and economic analysis are applied at an individual level, in the spirit of Adam Smith's "Invisible Hand." Students are exposed to a wide variety of personal financial choices and philosophies and encouraged to explore the mutual interaction between their choices and their environment. The dynamics between individual utility maximization, social responsibility, and ethical behavior are explored. Knowledge of financial products, analytical tools and critical thinking skills are cultivated in the context of setting goals and measuring progress, managing taxes, basic asset management, credit management, risk management, investing, and estate and retirement planning.

**OBJECTIVES**

1. To encourage critical thinking. Students are introduced to the many issues, forces, institutions, laws and other components of their external environment and encouraged to explore how these impact the student in his/her role of consumer, employee, or member of society. The student discovers how individual decisions can impact the political, economic, social, legal, regulatory, and international environments (in the spirit of Adam Smith's Invisible Hand), and how these in turn shape his/her decision process.
2. To introduce students to the concepts of social responsibility and ethical behavior that should guide their personal response to external environmental opportunities and threats.
3. To impart the analytical tools to enable students to make informed, rational decisions that affect their present and future. Students are taught to gather facts and apply economic reasoning to analyze costs and benefits, subject to scarcity

- and environmental constraints. Students discover how the individual responds to incentives. They learn that scarcity is the economic problem that forces people to make choices. More importantly, they learn skills to reduce risk and enhance resources, thereby reducing constraints so that their opportunity set is enhanced.
4. To acquaint students with a body of facts and information relevant to career planning, saving and spending, credit, budgeting, housing, goal setting, consumer sovereignty and advertising, health care, and a variety of other critical life decisions.
  5. To enable students to take personal responsibility for their future. Students learn that human behavior is a result of choice, not chance. They are armed with the knowledge, analytical tools, critical thinking skills, and confidence to make sound and responsible decisions. They become a greater asset to their fellow students, to the university, to their communities, and to society.

### **COURSE PHILOSOPHY**

1. Allocate class time most efficiently to benefit the students.
2. Move at a rapid but not impossible pace.
3. **Be very fair.**

### **TEXTBOOKS (REFERENCE MATERIAL)**

#### **Books You must Purchase:**

1. Arthur J. Keown, *Personal Finance: Turning Money into Wealth, third edition (updated edition)*.

#### **Books on Reserve in the Library**

2. Dalton & Dalton, *Personal Financial Planning, Second Edition*, Dalton PFS Series.
3. Hagstrom, *Investing: The Last Liberal Art*, Texere
4. Calder, *Financing the American Dream: A Cultural History of Consumer Credit*, Princeton.
5. Sinclair, Taylor, & Cuttell, *Life, Love, and Economics*, Pearson Custom Publishing.

In addition to the above textbooks, there are Power Points available on Blackboard. Also, there are end-of-chapter problem solutions and other materials available on Blackboard. The syllabus is available on Blackboard.

## **EFFORT REQUIRED**

In most cases, the material is not difficult by finance standards. However, for many students the concepts are new and may require explanation. Also, there is a lot of information to absorb, so there is a lot of work involved. You will be required to do a lot of reading and to commit a lot of information to memory. This is somewhat time consuming and labor intensive. The reading comes from two general sources, and I wish to discuss each of these separately.

The *Keown* text is the first major source of reading. You should purchase this text. This text contains most of the pure personal financial planning material. This is a great reference book for your future use. There is much more information in this text than we can hope to cover in class—we will selectively discuss the material. Fifty percent of your grade will be based on selective exercises including short papers that are based on the text material and the supplemental reading.

The remaining reading material (supplemental reading) is on reserve in the library. You may find it convenient to copy selected material, either individually or as a group, so that you have unfettered access to the material. This material will be discussed in class, and you will be expected to have read the assigned reading prior to class. Fifty percent of your grade will be based on class attendance and participation, so be sure that you attend every class, unless you have a really compelling excuse. And, be sure that you have read the material and are prepared to participate. There are no correct answers since much of what we will do is explore attitudes and social conventions—much of this course is intended to foster critical thinking. There are, however, correct facts and information and you should know it.

You will be given assignments during the semester, such as short papers or reports. It is important that you attempt to obtain both a mastery of the basic facts of the course and a personal philosophical framework for conceptualizing personal financial planning.

## **CLASS PROCEDURE**

Most classes will be a combination of class discussion and lecture, with the emphasis on class participation. I will take attendance every day. I will probably make a seating chart and you will sit in the same seat every day. There is way too much material for me to systematically present it to you so that you can avoid reading the material. I may call on you individually and specifically to talk about a subject or to participate. I may also give assignments for either written or oral presentations in class. As for the text, we will discuss “selected topics” from the text. In some cases I may lecture on these topics. You should not interpret these lectures as constituting coverage of the chapter. My evaluation of your classroom participation and effort is necessarily subjective and may not coincide with your own perception of your effort or of the quality of your output. I welcome your inquiries of how you are doing.

## **ATTENDANCE**

I am required to take attendance. I will prepare a seating chart. Part of your grade will be based on attendance and participation.

## **COURSE PREREQUISITES**

See the University Catalog course description.

## **DROP POLICY**

Same as University.

## **OTHER MATERIALS**

Besides the text book, you will need access to a computer with basic productivity software (spreadsheets, wordprocessor, etc.). You will need a Black Board account.

## **ANNOUNCEMENTS**

**I reserve the right to change the course in any way (deviate from this syllabus) at ANY TIME, if necessary.** Changes will be announced in class.

## **EXTRA CREDIT**

There is none planned.

## **EXAMS**

There may be some short exams. There may be no exams. I have not decided if we will have any, and if so, how many or over what materials. You may have some short exams that cover the reading assignments, particularly the supplemental reading. The exams may be either multiple choice or essay type. No particular format is pre-selected.

## SCHEDULE

The schedule below is a general guide to show you the order we will proceed and how much time will be spend on each section. You may work ahead faster if you wish but I caution you to not work slower.

Weeks	Reading, Power Points, and End of Chapter questions	Exam
Introduction 1-2	Text, Chs 1-3 D&D, Chs 1-3, 5 Sinclair, Chs 1, 2, 5, 7, 12	1
Investments 3-6	Text, Chs 11-15 Hagstrom, Chs 1, 5, 8	2
Credit 7-10	Text, Chs 6, 7 Calder, Chs 1,2 Manning, Chs 6, 9	3
Managing Assets 11-12	Text, Chs 5, 8 Sinclair, Chs 4, 6, 9	4
Risk Management 13-15	Text, Chs 9, 10 Sinclair, Ch 17	5
Personal Taxes 16	Text, Ch 4 Sinclair, Chs 8, 10-11	6

## PIC CODES

Early in the semester, on your first assignment, you should give me a Personal Identification Code (PIC). This should be a four-digit alpha-numeric code that you select. Keep your PIC private so that your fellow classmates and friends do not know it.

## **GRADING**

**There is a curve that is based on the average of the top five students in the class. Grades will be assigned based on the following table.**

<b>GRADE DISTRIBUTION</b>	
<b>IF YOUR CURVED PERCENTAGE ON ALL POINTS IS:</b>	<b>GRADE</b>
90% or more.	A
80% or more but less than 90%.	B
70% or more but less than 80%.	C
60% or more but less than 70%.	D
Below 60%.	U

I will put a grade sheet on Black Board that you can use to see your grade. The scores will be posted by PIC code. If you have problems with Black Board, see me.

## **MIDTERM GRADES**

I will give all students a “C” as a midterm grade. Do not panic if you see a “C.” I will not assign actual grades until the end of the semester. You must complete all assigned exams by the end of the semester to pass the course.

## **DISABILITIES**

**If any of you has a disability that should be brought to my attention, please do so, and I will make every effort to ensure that you are on a “level” playing field with your peers in the class.**