

# BUS 0215 - PERSONAL FINANCE

## Catalog Description

Formerly known as BUS 101

Prerequisite: Completion of Elementary Algebra or appropriate placement

Hours: 54 lecture

Description: Practical approach to personal finance principles. Offers a basic understanding of spending, saving, budgeting, borrowing, lending and investing money; credit and debit cards, credit reports/scores, identity theft, insurance, compound interest, retirement, estate planning, and investments. The social, psychological, and economic issues related to financial planning will be explored in addition to the calculation and analysis of the financial impacts of their decisions. This course will emphasize the principles to develop economic decision-making skills. Students will create a personal financial plan, including goals, budgets and a savings plan. (CSU, UC)

## Course Student Learning Outcomes

- CSLO #1: Diagnose issues with your personal credit and develop a plan to improve your credit score.
- CSLO #2: Create a personal budget and analyze the impact of this budget for you and your family.
- CSLO #3: Develop a retirement plan and analyze impact on your personal estate planning.
- CSLO #4: Apply basic mathematical concepts and utilize quantitative reasoning to create a personal finance plan.

## Effective Term

Fall 2022

## Course Type

Credit - Degree-applicable

## Contact Hours

54

## Outside of Class Hours

108

## Total Student Learning Hours

162

## Course Objectives

At the end of this course, students should be able to:

1. Design a written plan of financial goals;
2. Construct a personal budget, savings plan, and balance sheet; use the balance sheet to calculate various financial ratios;
3. Promote critical self-understanding by applying financial management information to specific problems faced by individuals and families at various stages of the life cycle, such as marriage, divorce, childbearing, and death;
4. Compare and contrast types of credit; credit and debit cards; calculation of annual percentage rates

5. Differentiate between good and bad debt; evaluate credit reports, credit scores, and identity theft; evaluate personal FICO scores;
6. Research financial institutions and analyze services and products;
7. Explain the types of risk and develop a risk management plan;
8. Identify the effects of saving by using time value of money (present and future value);
9. Compare and contrast different types of investments and create a long-term investment plan;
10. Calculate simple, add-on, discount, and compound interest and analyze the short and long-term effects of major economic factors such as inflation, interest rates, and taxes on financial planning over the life span;
11. Calculate and analyze financial ratios when making credit and investment decisions;
12. Assess and analyze your retirement and estate planning needs and develop an appropriate retirement and estate planning strategy;
13. Explain and apply basic mathematical concepts related to personal finance and solve problems through quantitative reasoning.

## General Education Information

- Approved College Associate Degree GE Applicability
  - AA/AS - Behavioral Sciences
  - AA/AS - Mathematical Skills
- CSU GE Applicability (Recommended-requires CSU approval)
  - CSUGE - B4 Math/Quantitative Reasoning
- Cal-GETC Applicability (Recommended - Requires External Approval)
- IGETC Applicability (Recommended-requires CSU/UC approval)

## Articulation Information

- CSU Transferable
- UC Transferable

## Methods of Evaluation

- Classroom Discussions
  - Example: Find a news article about identity theft. Students will present their article in class and the instructor will grade based on completion, relevance of the article, and how they engaged the class in discussion. Grading using a standard rubric.
- Essay Examinations
  - Example: In an essay, students will write about who was responsible for the housing market crash and how did this event impact the credit markets? The instructor will read each students' essay and provide feedback for review in class. Grading using a standard rubric.
- Objective Examinations
  - Example: Using multiple choice questions, the student will respond to topics about estate planning. When an estate does not have enough money to pay all of the bills, it is called: a. bankrupt b. solvent c. insolvent d. none of the above. Standard grading.
- Problem Solving Examinations
  - Example: Create a weekly budget for a minimum of two months. Students will write a half page summary on their experience explaining how difficult it was to stay within a certain budget restriction and how they can apply this in their personal life. Instructor will evaluate summary and give students the opportunity to discuss and ask questions. Grading using a standard rubric.
- Skill Demonstrations

- Example: Develop a financial plan including goals, financial position and action plan to achieve goals. This will be evaluated by the instructor as completed, but personal information will not be reviewed. Students given opportunity to discuss the plan or ask questions. Grading using a standard rubric.

## Repeatable

No

## Methods of Instruction

- Lecture/Discussion
- Distance Learning

Lecture:

1. Instructor will discuss financial budgeting and students will create a personal budget. (Objective 2)
2. Instructor will present videos showing consumers with debt problems; students will discuss debt issues in small groups and write a group paper to discuss possible solutions. (Objective 3)
3. After an instructor review of personal balance sheets, the class will calculate various financial ratios in relation to given personal balance sheets in small groups. Using those results, share with the class your suggestions for improvement of those ratios. (Objective 2)

Distance Learning

1. After instructor lecture on online and on ground financial institutions, students will research various online and on ground financial institutions and post their findings on the discussion board and compare and contrast their results with other students. (Objective 6)

## Typical Out of Class Assignments

### Reading Assignments

1. Read the chapter that covers credit cards and be prepared to discuss the warning signs of too much credit card debt. 2. Read an article from a periodical (e.g., Money magazine) and be prepared to share practical and useful advice received.

### Writing, Problem Solving or Performance

1. Write a paper answering the question "What is my relationship to money?" 2. Research and identify through a writing assignment how to protect against identity theft. 3. Given a financial planning case evaluate the amount needed to invest to reach the given investment goal using time value of money calculations 4. Given three investment scenarios, calculate the following investment ratios and prepare a comprehensive financial plan: i. earnings per share ii. price earnings ratio iii. dividend yield iv. capital gains yield v. return on real estate investments vi. annualized return on investment

### Other (Term projects, research papers, portfolios, etc.)

1. Create a financial plan. 2. Create a budget. 3. Create a personal balance sheet, calculate, and evaluate the following ratios to come up with personal financial goals: a. liquidity ratio b. debt ratio c. debt payment d. savings ratio

## Required Materials

- Focus on Personal Finance
  - Author: Jack Kapoor
  - Publisher: McGraw-Hill Irwin
  - Publication Date: 2020
  - Text Edition: 13th
  - Classic Textbook?: No
  - OER Link:
  - OER:
- Personal Finance
  - Author: Vickie Bajtelsmit
  - Publisher: Wiley
  - Publication Date: 2020
  - Text Edition: 2nd
  - Classic Textbook?: No
  - OER Link:
  - OER:

## Other materials and-or supplies required of students that contribute to the cost of the course.