

**Commerce 4FM3
Personal Financial Planning and Advising
Winter 2020 Course Outline**

**Finance and Business Economics
DeGroote School of Business
McMaster University**

COURSE OBJECTIVE

This course will build upon the basic concepts and theories learnt in the pre-requisite course on Personal Financial Management (Commerce 4FL3/4FP3) and expand on them in a case-oriented setting. This course is suitable for two types of students:

1. The Do-it-Yourself Investor: Those who simply want to have a better handle on their personal finances. You will also learn the limits of your own advice capabilities and when to access and recognize good quality advice at a reasonable price.

2. Possible careers are with banks, brokerages, credit unions, and insurance companies as wealth managers, financial planners, financial advisors and commercial bankers.

This course attempts to integrate several disciplines which include tax planning, budgeting, savings and debt management, risk management, insurance and the law, investment management, retirement and estate planning, traditional macro-economics and behavioral economics, and ethical decision making and personal financial strategy.

This course will also cover key trends currently affecting investment advice such as growth and use of Robo-advisors, Fintech and other channels through which advice is available

INSTRUCTOR AND CONTACT INFORMATION

Section 1: Friday 11:30 am – 2:20 pm

Class Location: PGCLL/M22

Sumit Bose, MBA CFP FMA CIWM FCSI

Instructor

sbose@mcmaster.ca

Office: TSH/626

Office Hours: before class and by appointment

Tel: (905) 525-9140 x 26194

(as office is used by various instructors, please do not leave messages)

Course Website: <http://www.degroote.mcmaster.ca/UG/register.html>

COURSE ELEMENTS

Credit Value:	3	Leadership:	Yes	IT skills:	No	Global view:	Yes
Avenue:	Yes	Ethics:	Yes	Numeracy:	Yes	Written skills:	Yes
Participation:	Yes	Innovation:	Yes	Group work:	Yes	Oral skills:	Yes
Evidence-based:	Yes	Experiential:	No	Final Exam:	Yes	Guest speaker(s):	Yes

LEARNING OUTCOMES

Students will go through all relevant topics and strategies for dealing with various financial planning matters. By the end of the course, students will be able to analyse a range of planning issues, including:

- The financial planning process;
- Factors affecting financial planning, including personal, career, and retirement issues;
- Personal income taxation;
- Capital assets and trusts;
- Business income taxation;
- Investments and savings options and vehicles;
- Retirement income and planning; and
- Estate planning.

REQUIRED COURSE MATERIALS AND READINGS

Avenue registration for course content, readings and case materials

- <http://avenue.mcmaster.ca>

\$ FREE

KPMG Tax Planning For You and Your Family 2020. *Carswell*

- Purchase a copy at the bookstore

EVALUATION

A combination of lectures, discussion and problem solving. Students will be encouraged to think, analyze, evaluate, and problem-solve, not memorize. Students are expected to come to class on time and be prepared for the class, i.e., to have read the assigned reading and to have done the assigned problems.

Missed tests/exams will receive a grade of zero unless the student has submitted and been approved for a Notification of Absence or MSAF. Your final grade will be calculated as follows:

Components and Weights

Participation	In-class Contribution (individual)	10%
Midterm #1 Exam	Midterm Exam (individual)	20%
Assignment	Financial Planning Case assignment (group)	30%
Midterm #2 Exam	Cumulative Exam (individual)	40%
Total		100%

NOTE: The use of a McMaster standard calculator is allowed during examinations in this course.

Texas Instruments BA II Plus financial calculator is recommended and will be used in class. However, any calculator that performs time value of money functions is acceptable. See McMaster calculator policy at the following URL:

www.mcmaster.ca/policy/Students-AcademicStudies/UndergraduateExaminationsPolicy.pdf

Communication and Feedback

Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Area Administrative Assistants. Instructors are required to provide evaluation feedback for at least 10% of the final grade to students prior to Week #9 in the term. Instructors may solicit feedback via an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

Course Deliverables

Participation - In class contribution

Name cards are used to help give credit for class participation and contribution to in-class problem-solving. Students must have name cards with their **full first and last names** clearly written and displayed in front of them for every class. It is imperative that students prepare for every class. No class attendance results in zero mark.

Your contribution is an essential component in the overall education process. Contribution takes place in many forms: asking informed questions in class, making intelligent comments, reading the case and being prepared to discuss the issues, actively listening to your peers and working with others. Please remember that quantity is no substitute for quality.

There will be ample opportunity to contribute to the class. The format of the in-class discussions of cases may take a variety of forms including: group analysis of single case issues during class, presentation of issues and leading discussions of the case issues.

It is your responsibility to ensure that you take an active role in class. If this is a problem for you, I urge you to talk to me to discuss ways that you can make a contribution. The grading for the class contribution in each class is as follows:

Grade	Student Contribution
0	Does not show up for class.
1	Attends class but says very little.
2	Makes a significant contribution to the class by making important points with a significant element of originality or demonstrating mastery of difficult theoretical issues or concepts; is always prepared having read and analyzed prior to class, the various aspects of the problems and issues involved, shares in class presentations, contributes to in-class group work.

Note that there is no partial (non-integer) participation grade awarded for a class. Students may be asked to share their detailed analysis with, or otherwise present their solutions to, the class in order for their contribution to be qualified as significant.

Midterm #1 and Midterm #2 Exam

Midterm #1 examination in this course that accounts for **20%** of your final grade.

The Midterm #2 exam will be cumulative and accounts for **40%** of your final grade.

The format of the exams will be as follows:

The midterm #1 and midterm #2 exams are open book, with a combination of multiple-choice and essay or case-based questions. Students may use any aids with the exception of another

person or a personal computer. Both the midterm exams will cover PowerPoints, handouts, web site material assigned and all information from the classes.

Students must pass the combination of both the midterm exams in order to pass the course.

Financial Planning Case assignment (group)

The final case, *distributed to the students during the course of the term*, will be solved and submitted for marking by students in groups. Students will form groups of **two** or **three**. A one- page sheet listing the names and signatures of the group members will be due ***in class in the second week*** of the term. All group members will be assigned identical grades for group work. More details of the format, structure, and content coverage will be provided during the course of the term.

The assignments are due at the start of class indicated on the class schedule section of the course outline. Late assignments will not be accepted unless the student and the professor have made prior arrangements.

Use of Calculators and Computers

Students may use any calculator or computer during the term as aids. **Texas Instruments BA II Plus financial calculator is recommended** and will be used in class. However, any calculator that performs time value of money functions is acceptable. However, ***no calculator, computer, or device may be used to access the Internet during the course of a test or an exam.***

ACADEMIC INTEGRITY

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: "Grade of F assigned for academic dishonesty"), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the Academic Integrity Policy, located at:

www.mcmaster.ca/academicintegrity

The following illustrates only three forms of academic dishonesty:

1. Plagiarism, e.g. the submission of work that is not one's own or for which other credit has been obtained.
2. Improper collaboration in group work.
3. Copying or using unauthorized aids in tests and examinations

AUTHENTICITY/PLAGIARISM DETECTION

In this course we may be using a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. Students will be expected to submit their work electronically either directly to Turnitin.com or via Avenue to Learn (A2L) plagiarism detection (a service supported by Turnitin.com) so can be checked for academic dishonesty. Students who do not wish to submit their work through A2L and/or Turnitin.com must still submit an electronic and/or hardcopy to the instructor. No penalty will be assigned to a student who does not submit work to Turnitin.com or A2L. All submitted work is subject to normal verification that standards of academic integrity have been upheld (e.g., on-line search, other software, etc.). To see the Turnitin.com Policy, please go to;

www.mcmaster.ca/academicintegrity.

ONLINE COURSE COMPONENTS

In this course we will be using X*. Students should be aware that when they access the electronic components of this course, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in this course will be deemed consent to this disclosure.

If you have any questions or concerns about such disclosure, please discuss this with the course instructor.

X* = e-mail, Avenue to Learn, LearnLink, web pages, capa, Moodle, ThinkingCap, etc

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

Students may request relief from a regularly scheduled midterm, test, assignment or other course components. Please refer to the policy and procedure on the DeGroote website at the link below;

<http://ug.degroote.mcmaster.ca/forms-and-resources/misled-course-work-policy/>

STUDENT ACCESSIBILITY SERVICES

Students who require academic accommodation must contact Student Accessibility Services (SAS) to make arrangements with a Program Coordinator. Academic accommodations must be arranged for each term of study. Student Accessibility Services can be contacted by phone 905-525-9140 ext. 28652 or e-mail sas@mcmaster.ca. For further information, consult McMaster University's Policy for Academic Accommodation of Students with Disabilities:

<http://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicAccommodation-StudentsWithDisabilities.pdf>

ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)

Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the RISO policy. Students requiring a RISO accommodation should submit their request, including the dates/times needing to be accommodated and the courses which will be impacted, to their Faculty Office normally within 10 days of the beginning of term or to the Registrar's Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

POTENTIAL MODIFICATION TO THE COURSE

The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their McMaster email and course websites weekly during the term and to note any changes.

COURSE EVALUATION

A course evaluation will be conducted near the end of the term. Students are asked to participate in this evaluation

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in Commerce 4FM3 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

COURSE SCHEDULE

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WEEK	DATE	TOPIC	CASE
1	Jan. 10	<ul style="list-style-type: none"> Financial Planning Process, Creating an Engagement Letter- KPMG Chap.1 	1.
2	Jan 17	<ul style="list-style-type: none"> Code of Ethics and Practice Standards www.fpssc.ca 	2.
3	Jan 24	<ul style="list-style-type: none"> Taxation 1 - KPMG Chap. 2, 9, 4, 5, 6 	3. & 4.
4	Jan 31	<ul style="list-style-type: none"> Taxation 2 - KPMG Chap. 8, 10, 11, 14, 16 	5.
5	Feb 7	<ul style="list-style-type: none"> Investments 	
6	Feb 14	Midterm #1 Exam on (Lecture Topics for Weeks 1 to 4)	
7	Feb 17-21	Midterm Recess (No Class)	
8	Feb 28	<ul style="list-style-type: none"> Investments - KPMG Chap. 7 	6.
9	Mar 6	<ul style="list-style-type: none"> Insurance 	7.
10	Mar 13	<ul style="list-style-type: none"> Retirement Planning - KPMG Chap. 3, 4, 20 	8.
11	Mar 20	<p>*Course Evaluations</p> <ul style="list-style-type: none"> Estate Planning - KPMG Chap. 21, 22 Integrating the components of a Financial Plan. Behavioral Finance. Trends in Financial Planning (e.g. Fintech, Robo-advisors, AI, Blockchain, etc) 	9.
12	Mar 27	Midterm #2 Cumulative Exam (Lecture Topics for Weeks 1-11)	
13	Apr 3	Career Planning Class Financial Planning Case assignment (group) due	

Course Evaluations: 10 minutes at the beginning of class. Bring your electronic devices.