

**Commerce 4FL3
Personal Finance Management
Fall 2020 Course Outline**

**Finance and Business Economics Area
DeGroot School of Business
McMaster University**

COURSE OBJECTIVE

A major objective of the course is to provide students with the tools and skills needed to make sound financial decisions throughout their lives. Personal financial planning is the process of managing one's money to achieve personal economic satisfaction. This process involves setting realistic goals and organizing financial activities toward the achievement of the goals. It also depends on the increased control of financial affairs by avoiding excessive debt, building up wealth, and managing financial risk.

INSTRUCTOR AND CONTACT INFORMATION

Dr. C. Sherman Cheung
Instructor
Email: scheung@mcmaster.ca
Office: DSB/315
Office Hours: TBA
Tel: (905) 525-9140 Ext. 23986

Course Website: <http://avenue.mcmaster.ca>

COURSE ELEMENTS

Credit Value:	3	Leadership:	No	IT skills:	No	Global view:	No
Avenue:	Yes	Ethics:	Yes	Numeracy:	Yes	Final exam:	Yes
Participation:	Yes	Innovation:	No	Group work:	No	Oral skills:	Yes

COURSE DESCRIPTION

This course is taught primarily through lectures but also may include cases or guest speakers. Students are expected to attend every class as class lectures can cover materials and cases not mentioned in the textbook.

LEARNING OUTCOMES

Upon completion of this course, students will be able to complete the following key tasks:

- Provide a rigorous foundation of personal financial planning
- Provide the basic tools for financial planning
- Measuring and controlling household finance
- Building and managing investments
- Planning for unexpected contingencies.

TEXTBOOK

REQUIRED: - Personal Finance, Fourth Canadian Ed, Madura and Gill, Pearson.

EVALUATION

You will be evaluated on three components according to the following weights:

Components and Weights

Test #1 (Friday, October 23, 2020, 7 pm)	30%
Test #2 (Friday, November 20, 2020, 7 pm)	30%
Cumulative Final Exam	40%
Total	100%

All tests and examination are multiple choice examination. Each test/exam will cover material from the textbook, readings, and lectures.

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

Conversion

At the end of the course your overall percentage grade will be converted to your letter grade in accordance with the following conversion scheme.

LETTER GRADE	PERCENT	LETTER GRADE	PERCENT
A+	90 - 100	C+	67 – 69.99
A	85 – 89.99	C	63 – 66.99
A-	80 – 84.99	C-	60 – 62.99
B+	77 – 79.99	D+	57 – 59.99
B	73 – 76.99	D	53 – 56.99
B-	70 – 72.99	D-	50 – 52.99
		F	00 – 49.99

Final Exam

This exam will be cumulative.

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.

ACADEMIC DISHONESTY

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

ONLINE COURSE COMPONENTS

Some courses may use on-line elements (e.g. e-mail, Avenue to Learn (A2L), LearnLink, web pages, capa, Moodle, ThinkingCap, etc.). Students should be aware that, when they access the electronic components of a course using these elements, 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 a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor

ONLINE PROCTORING

Some courses may use online proctoring software for tests and exams. This software may require students to turn on their video camera, present identification, monitor and record their computer activities, and/or lock/restrict their browser or other applications/software during tests or exams. This software may be required to be installed before the test/exam begins.

CONDUCT EXPECTATIONS

As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the "Code"). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, **whether in person or online.**

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2

Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students' access to these platforms.

STUDENT ACCESSIBILITY SERVICES

Students with disabilities who require academic accommodation must contact [Student Accessibility Services](#) (SAS) at 905-525-9140 ext. 28652 or sas@mcmaster.ca to make arrangements with a Program Coordinator. For further information, consult McMaster University's [Academic Accommodation of Students with Disabilities](#) policy.

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 should submit their request to their Faculty Office *normally within 10 working days* of the beginning of term in which they anticipate a need for accommodation 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.

COPYRIGHT AND RECORDING

Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, **including lectures** by University instructors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

EXTREME CIRCUMSTANCES

The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, A2L and/or McMaster email.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in Commerce 4FL3 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

Commerce 4FL3 Personal Finance Fall 2020 Course Schedule

Warning: Sections C2 (Thursday 2:30 pm)) and C03 (Friday 11:30 am) of 4FL3 will be run independently of the other section with different instructors and examinations. Students are not allowed to move freely between my sections and the other section.

Part I: The Foundations of Financial Planning and the Tools

- 1 The Financial Planning Process
Chapters 1 and 3 (skip pp. 74-75)
- 2 Time Value of Money
Chapter 3 in Keown *et al*
- 3 Income Tax Planning
Chapter 4 (skip Appendix 4A)

Part II: Planning the Basic Household Activity

4. Cash Management and Financial Institutions
Chapter 5
- 5 Credit and Debt Management
Chapter 6 (skip "Identity Theft, pp. 186-191)

6. Buying a House and Mortgage Financing
Chapter 7

Part III: Building the Household Wealth

- 7 Fundamental Concepts in Investing
Chapter 10
8. Types of Investments
Chapters 11 (skip pp. 334-342 and Appendix 11A), 12, and 13
9. Saving for Distant Goals: Retirement and Educational Funding
Chapter 14

Part IV: Protecting the Household Wealth

10. Life, Health, and Disability Insurance
Chapter 9 (Skip pp. 261-262)
- 11 Property, Home, and Automobile Insurance
Chapter 8
12. Estate Planning
Chapters 15

Additional reading may be assigned later.