

**LONGWOOD UNIVERSITY**  
**COLLEGE OF BUSINESS AND ECONOMICS**  
**DEPARTMENT OF ACCOUNTING, ECONOMICS, AND FINANCE**

**COURSE:** Finance 250  
**INSTRUCTOR:** Dr. Bennie D. Waller  
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**OFFICE HOURS:** TR 8-11AM or other times by appointment

**COURSE DESCRIPTION:**

**FINA250. Personal Finance** - An introductory course designed to familiarize the student with the application of mathematics for the individual in the role of a consumer and/or investor. Special attention will be given to mathematical formulas and their application to realistic situations in economics and finance, in particular personal finance. Topics will include banking, budgeting, credit, taxes, insurance, mortgages, automobile loans, annuities, and investments such as stocks and bonds. Consideration will be given to how changes in the macro and micro economic environment affect these topics. Emphasis is on interpretation of results and the effect on decision making. 3 credits.

**COURSE OBJECTIVES:**

The primary purpose of this course is to provide a practical, broad-based exposure to the issues that individuals should consider in planning their personal finances.

**Students should be able to:**

1. Do calculations involving simple math such as decimals and percentages quickly and accurately.
2. Set up and solve word problems involving percent, interest, installment payments, credit card payments, depreciation, insurance, stocks, and bonds.
3. Use formulas and technology (financial calculators and spreadsheets) to calculate compound interest, present value, annuities, and periodic payments.
4. Apply basic statistical concepts.
5. Calculate the annual percentage rate and effective rate.
6. Examine the process of obtaining credit, understanding a credit report and credit score, and repairing damaged credit.
7. Understand the process of filing an income tax return.
8. Financially (mathematically) justify the rent versus buy decision process.
9. Establish financial and economic goals and objectives over the course of one's life.
10. Effectively plan for retirement

This course meets the General Education criteria and the required outcomes for General Education Goal 5 as indicated in the attached matrices.

**REQUIRED TEXT:**

Keown, Arthur, "Personal Finance: Turning Money into Wealth, Prentice Hall Publishing. 5<sup>th</sup> edition.

Bluman, Allan G., "Business Math DeMystified", McGraw Hill, 2006.

**OTHER REQUIREMENTS:** *Texas Instruments BA II PLUS calculator.* An equivalent calculator may be acceptable, but it is your responsibility to know how to use it. Learn to use your calculator and bring it to class each day. I will be using the BAII PLUS in classroom demonstrations. Calculators cannot be shared on quizzes and tests.

**CURRENT EVENTS:** The student is expected to keep abreast of the current economic and financial events related to the course material. Sources include [finance.yahoo.com](http://finance.yahoo.com), the Wall Street Journal, and CNBC financial news. All of these sources are excellent sources for this purpose.

**WRITING:**

As a general education course, FINA250 will require a significant amount of writing. Some exam questions will be short essay questions. The research project will involve collecting data and analyzing the data using statistics and using such data in a decision-making process. The result will be graded both for sound analytical accuracy, model assumptions, logical conclusions, and for writing style. The project will be due near the end of the semester. More details will be provided later.

**HOMEWORK:**

I will assign and collect homework periodically. Each assignment will be given a score based on completeness, accuracy, and presentation. These are individual assignments, and the Honor Code applies. Homework is due at the beginning of class on the designated day. No late work is accepted. Homework problems will give you practice in the basic techniques of the course. Homework is your responsibility to do; ask questions when you need help.

**STUDENT EVALUATION:**

1. Each student will be evaluated on the basis of his/her performance on quizzes, examinations and a project.

2. Grading scale:

Numerical Grade	Letter Grade
90 and above	A
80-90	B
70-80	C
60-70	D

Below 60	F
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Project	10%
Quizzes	15%
2 Exams	50%
Final Exam	25%

**MAKE-UP POLICY:** Any work such as quizzes, homework, or class work, cannot be made up. It is my policy to give no makeup tests. An exception can be made in the case of a documented illness or an excuse by a school administrator. Note, however, that a makeup test is usually more difficult than the original test, no matter the reason for the absence. Arrangements for a make-up test must be made **no later than the day after the test**.

**CLASS PREPARATION:** The student is expected to read and study each chapter assignment prior to the scheduled lecture on such material. Additionally, the student should be prepared to discuss (as a minimum) the assigned end-of-chapter problems the day of the lecture.

**ACADEMIC INTEGRITY/HONOR CODE POLICY:** Cheating in any form will not be tolerated. If the instructor determines that a student has cheated on an assignment, the grade of "F" may be assigned for the assignment or the entire course. "Cheating" is the provision and/or use of unauthorized resources and/or the work of another, including but not limited to, homework, tests, papers, presentations and exams. Unless specifically instructed otherwise, students are to assume that all course work is to be the work of the individual student alone. If a student is unsure as to whether collaboration is permitted, the professor should be contacted in advance of performing the work.

**WEATHER POLICY:** If the College is open but I am unable to get to school, I will email a message to that effect. Commuter and campus-based disabled students may decide whether to attend classes - without penalty. Resident students will attend classes.

#### **ATTENDANCE POLICY:**

You are expected to attend all classes. You are expected to arrive to class on time, and be prepared for class. Since class time is limited, only a limited number of examples and problems can be given and discussed in class. The text book contains many worked examples. Class attendance is not a substitute for reading the text. The college attendance policy provides the following penalties. The final grade may be lowered by one letter grade if more than 10% of classes are missed. Absences in excess of 25% will result in an automatic F.

### **TENTATIVE COURSE SCHEDULE**

<u>Week</u>	<u>Topic</u>	<u>Chapter Assignment</u>
1	Review of Statistics (handout material provided)	
2	The Financial Planning Process	Ch.1
2	Measuring your financial Health	Ch. 2
3	Understanding Time value of money	Ch. 3
4	Tax Planning and Strategies	Ch. 4
4	Cash Management	Ch. 5
5	Using Credit Cards	Ch. 6
5	<b>Exam 1 (Chapters 1-6)</b>	
6	Using Consumer Loans	Ch. 7
6	Home and Auto Decisions	Ch. 8
7	Life and health Insurance	Ch. 9
7	Property and Liability Insurance	Ch. 10
8	Investment Basics	Ch. 11
8	Securities Markets	Ch. 12
8	<b>Exam 2 (Chapters 7-12)</b>	
9	Investing in Stocks	Ch. 13
10	Investing in Bonds	Ch. 14
11	Mutual Funds	Ch. 15
12	Retirement Planning	Ch. 16
13	Estate Planning	Ch. 17
14	Fitting the Pieces together	Ch. 18
15	<b>Final Exam (Chapter 13-18)</b>	