

Course Outline

Department of Economics  
School of Business and Economics

**ECON 3090-3**  
**Managing Personal Economic Wealth (3,0,0)**

**Calendar Description**

Students learn to attain their financial goals and achieve financial independence through effective planning. Topics include an overview of a financial plan; planning with personal financial statements; the effects of taxation on financial decision making; banking services; assessing, managing, and securing credit; personal loans; leasing versus buying; buying and financing a home; portfolio management basics; investing in stocks, bonds, and mutual funds; and retirement planning.

**Educational Objectives/Outcomes**

Upon completing this course, students will be able to:

1. Apply personal finance terminology to personal finance issues.
2. Explain the importance of personal finance planning for achieving personal goals.
3. Describe the major tax implications of different personal finance choices.
4. Compare and contrast short-term investment alternatives.
5. Explain how to achieve a good credit score.
6. Describe the different sources of loans.
7. Discuss the transactions costs associated with purchasing a home.
8. Compare and contrast different investment options in terms of risk and return.
9. Explain how the stock market works.
10. Distinguish among different types of bonds.
11. Compare and contrast different types of pooled investments.
12. Explain the importance of planning for retirement early.

**Prerequisites**

None

Note: Credit for this course cannot be applied towards the BBA.

**Co-requisites**

## **Texts/Materials**

Madura, J. and Gill, H., Personal Finance, Second Canadian Edition, Pearson Canada, 2012.

## **Student Evaluation**

Assignments	0-25%
Midterm(s)	30-50%
Final exam	30-50%

## **Course Topics**

1. Overview of a Financial Plan and Time Value Concepts
  - Characteristics of a financial plan
  - Future value
  - Present value
  - Annuity
2. Planning with Personal Financial Statements
  - Cash flow statement
  - Budget strategies
  - Balance sheet
  - Net worth
3. Using Tax Concepts for Planning
  - Income tax
  - Tax deductions
  - Tax credits
  - Tax strategies
4. Banking Services and Managing Your Money
  - Financial institutions
  - Banking services
  - Savings options
  - Short-term investments
5. Assessing, Managing, and Securing Your Credit
  - Types of credit
  - Credit bureau
  - Credit cards
  - Debt management
6. Personal Loans
  - Sources of loans
  - Real cost of borrowing

- Car loans
  - Student loans
  - Purchase versus lease
7. Purchasing and Financing a Home
- Home affordability
  - Transaction costs of home purchase
  - Mortgage options
  - Mortgage refinancing
8. Investing Fundamentals
- Types of investments
  - Return and risk
  - Diversification
  - Asset allocation strategies
9. Investing in Stocks
- Stock exchanges
  - Stock quotations
  - Stock transactions
  - Analysis of a firm
  - Stock valuation
10. Investing in Bonds
- Bond characteristics
  - Types of bonds
  - Other fixed income products
  - Bond investment strategies
11. Investing in Mutual Funds
- Pooled investment funds
  - Types of mutual funds
  - Return and risk of a mutual fund
  - Exchange traded funds
  - Segregated funds
12. Retirement Planning
- Sources of retirement income
  - Retirement planning decisions
  - Retirement strategies

### **Methods for Prior Learning Assessment and Recognition**

As per TRU policy

### **Attendance Requirements – Include if different from TRU Policy**

As per TRU policy

**Special Course Activities – Optional**

**Use of Technology – Optional**