



Course Outline

Accounting and Finance
School of Business & Economics
FNCE 4140 - **3.00** - Academic

Personal Financial Management

Rationale

Update standard course outlines in SOBE

Changed course description and requisites

Calendar Description

Students acquire skills to identify, structure, and resolve financial planning problems. Multiple analytical tools and tax planning strategies are used in addressing various financial planning issues. Topics include an overview of a financial plan; applying time of money concepts; planning with personal financial instruments; banking services and money management; assessing, managing, and securing credit; personal loans; purchasing and financing a home; auto and homeowner's insurance; health and life insurance; investing fundamentals; investing in stocks, bonds, and mutual funds; retirement planning; and estate planning.

Credits/Hours

Course Has Variable Hours: No

Credits: 3.00

Lecture Hours: 3.00

Seminar Hours: 0

Lab Hours: 0

Other Hours: 0

Clarify:

Total Hours: 3.00

Delivery Methods: (Face to Face)

Impact on Courses/Programs/Departments: No change

Repeat Types: A - Once for credit (default)

Grading Methods: (S - Academic, Career Tech, UPrep)

Educational Objectives/Outcomes

1. Discuss the importance of financial planning.

2. Identify the key components of a financial plan and outline the steps in developing a plan.
3. Prepare a comprehensive financial plan.
4. Analyze and resolve financial planning problems.
5. Apply various personal income tax strategies and financial tools in a financial planning context.
6. Demonstrate an understanding of the fundamental components of retirement planning and how to use these components to build a viable retirement plan.
7. Demonstrate an understanding of the fundamental aspects surrounding estate planning and develop strategies for passing assets in the most efficient manner possible while minimizing fees and taxes.

Prerequisites

BLAW 2910-Commercial Law or
equivalent with a minimum C- FNCE
3150-Portfolio and Equity Analysis or
equivalent with a minimum C- ACCT
3260-Taxation for Decision Making or
equivalent with a minimum C-

Co-Requisites

Recommended Requisites

Exclusion Requisites

FNCE 4150-Personal Wealth Management
BBUS 4140-Personal Financial Management
ECON 3090-Managing Personal Economic Wealth

Texts/Materials

Textbooks

1. **Required** Madura and Gill. *Personal Finance*, 3rd Canadian ed. Pearson Canada, 2016

Student Evaluation

The Course grade is based on the following course evaluations.

Tests/quizzes 45%

Case study 25%

Final exam 30%

Students must pass the final exam to pass this course.

Course Topics

1. Overview of a Financial Plan
 - How You Benefit From An Understanding Of Personal Finance
 - Components Of a Financial Plan
 - Developing The Financial Plan
2. Applying Time Value of Money Concepts

- The Importance of the Time Value Of Money
 - Future Value of a Single Dollar Amount
 - Present Value of a Single Dollar Amount
 - Future Value of an Annuity
 - Present Value of an Annuity
- Interest Rate Conversion

3. Planning with Personal Financial Statements

- Personal Cash Flow Statement
- Creating a Budget
- Personal Balance Sheet

4. Banking Services and Managing Your Money

- Background on Money Management
- Banking Services Offered By Financial Institutions
- Selecting a Financial Institution
- Savings Alternatives Offered by Financial Institutions

5. Assessing, Managing, and Securing Your Credit

- Background on Credit
 - Credit Bureaus
 - Credit Cards
 - Debt Management
 - Identity Theft: A Threat to Your Credit
 - Identity Theft Tactics
 - Protecting Against Identity Theft
- Response to Identity Theft

6. Personal Loans

- Background on Personal Loans
 - The Real Cost of Borrowing on Personal Loans
 - Home Equity Loan
 - Car Loans
 - Purchase versus Lease Decisions
- Student Loans

7. Purchasing and Financing a Home

- Selecting a Home
 - Transaction Costs of Purchasing a Home
 - Mortgage Options
 - Characteristics of a Fixed-Rate Mortgage
 - Characteristics of a Variable-Rate Mortgage
 - Decision to Own versus Rent a Home
- Mortgage Refinancing

8. Auto and Homeowner's Insurance

- Background on Insurance
- Managing Risk
- Auto Insurance
- Factors That Affect Your Auto Insurance Premiums
- If You Are In an Auto Accident
- Homeowner's Insurance
- Homeowner's Insurance Policy Provisions
- Homeowner's Insurance Premiums
- Filing a Claim
- Tenant's Insurance

Umbrella Personal Liability Policy

9. Health and Life Insurance

- Background on Health and Life Insurance
- Canada's Health Care System
- Disability Insurance
- Critical Illness Insurance
- Long-term Care Insurance
- Life Insurance
- Determining the Amount of Life Insurance Needed

Contents of a Life Insurance Policy

10. Investing Fundamentals

- Types of Investments
- Investing Return and Risk
- Risk of Investing
- Trade-off Between Return and Risk
- How Diversification Reduces Risk
- Strategies for Diversification
- Asset Allocation Strategies
- Factors That Affect Your Asset Allocation Decision

Learning from the Investment Mistakes of Others

11. Investing in Stocks

- Stock Exchanges
- Stock Quotations
- Purchasing or Selling Stocks
- Analysis of a Firm
- Stock Valuation

Assessing Performance of Stock Investments

12. Investing in Bonds

- Background on Bonds
- Types of Bonds
- Other Fixed-Income Products
- Return from Investing in Bonds
- Valuing a Bond
- Risk from Investing in Bonds

Bond Investing Strategies

13. Investing in Mutual Funds

- Background on Pooled Investment Funds
 - Background on Mutual Funds
 - Types of Mutual Funds
 - Return and Risk of a Mutual Fund
 - Deciding among Mutual Funds
 - Quotations of Mutual Funds
 - Exchange-Traded Funds (ETFs)
- Segregated Funds

14. Retirement Planning

- Old Age Security (OAS)
 - Canada Pension Plan (CPP)
 - Employer-Sponsored Retirement Plans
 - Individual Retirement Savings Plans
 - Retirement Income Conversion Options
 - Your Retirement Planning Decisions
- Estimating Your Future Retirement Savings

15. Estate Planning

- Background on Wills
 - Common Types of Wills
 - Key Components of a Will
 - Probate Fees and Taxes at Death
 - Estate Planning Strategies
- Other Aspects of Estate Planning

Methods for Prior Learning Assessment and Recognition

As per TRU Policy

Last Action Taken

Implement by Submission Preview Subcommittee Chair Joanne (Retired) Moores

Current Date: 28-Oct-20