

FIN-1061: PERSONAL FINANCE

Cuyahoga Community College

Viewing: FIN-1061 : Personal Finance

Board of Trustees:

June 2022

Academic Term:

Fall 2022

Subject Code

FIN - Financial Management

Course Number:

1061

Title:

Personal Finance

Catalog Description:

Introductory course designed to prepare a student to make educated decisions regarding consumer choices and personal financial goals. These decisions impact consumer purchasing and credit, insurances, medical care, home ownership, income taxes, investment and savings, and retirement and estate planning.

Credit Hour(s):

3

Lecture Hour(s):

3

Requisites

Prerequisite and Corequisite

None.

Outcomes

Course Outcome(s):

Support a personal finance plan to ensure pragmatic and informed decisions regarding all aspects of daily consumer decisions: i.e. consumer purchasing and credit, insurance, taxes, investing, retirement, and estate planning.

Objective(s):

1. Develop short term budgets and long term financial plans enhancing the financial goals that reflect the personal time lines of the student's budgeted plan.
2. Identify specific sources, offerings, and alternatives of consumer credit available to the credit user, thus maximizing value for the borrower.
3. Identify and define the financial institutions, structures, and tools available to the consumer for short term savings, borrowing, and investment.

Course Outcome(s):

Apply and interpret the Time Value of Money (TVM) to financial choices using either charts, financial calculators, or computer programs. Using these standardized charts and systems, compute real-world scenarios i.e.: personal taxes, insurance charges, personal and auto insurance options, long-term savings plans and investments.

Essential Learning Outcome Mapping:

Quantitative Reasoning: Analyze problems, including real-world scenarios, through the application of mathematical and numerical concepts and skills, including the interpretation of data, tables, charts, or graphs.

Objective(s):

1. Compare and contrast insurance options: what is available; what is optional/necessary, and pitfalls to be avoided.
2. Analyze the tax implications in personal financial decisions, both short term and long term.
3. Develop the numbers for retirement / estate planning strategies both for the short term and the long term.

4. Build realistic schedules showing today's savings as future retirement building blocks.

Course Outcome(s):

Explain the different kinds of Credit Cards and insurance, including vehicle including vehicle, health and disability.

Essential Learning Outcome Mapping:

Critical/Creative Thinking: Analyze, evaluate, and synthesize information in order to consider problems/ideas and transform them in innovative or imaginative ways.

Information Literacy: Acquire, evaluate, and use information from credible sources in order to meet information needs for a specific research purpose.

Written Communication: Demonstrate effective written communication for an intended audience that follows genre/disciplinary conventions that reflect clarity, organization, and editing skills.

Objective(s):

1. Compare and contrast credit card options.
2. Analyze Insurance including vehicles, health and disability

Methods of Evaluation:

1. Minimum of three unit tests
2. Quizzes
3. Projects
4. Other evaluation methods deemed appropriate by instructor to meet educational goals
5. Computerized learning tools

Course Content Outline:

1. Our current economy and the consumer in that economy
 - a. Kinds of credit available in today's markets and who offers that credit
 - b. The proper credit balance for an individual: "too much" and "just right"
 - c. Current instruments available for savings and the need for savings
 - d. Apply TVM (Time Value of Money) to long term debt and credit structures
 - e. Realistic analysis of the relationship of the consumer's current/potential employment and spending patterns reflecting that employment
2. Short term personal budgets and goals
 - a. Devise a workable and retrievable system to record and maintain financial records and documents
 - b. Construction of personal Income Statements and Balance Sheets
 - c. Short term budgeting goals, and cash management plans to reach those goals
3. Long term personal budgets and goals
 - a. Current shifts in guaranteed pensions, Social Security, and personal retirement plans
 - b. Amounts of capital necessary to retire within certain time frames with estimated monthly amounts of income
 - c. Estate planning
 - i. Basic legal aspects of estate planning
 - ii. Basic nature and format of wills
 - iii. Basic tax implications of estate planning
4. Consumer Credit
 - a. Advantages / disadvantages of credit
 - b. Types of credit
 - i. Open end credit
 - ii. Closed end credit
 - c. Cost of Credit
 - i. Annual Percentage Rate (APR)
 - ii. Rule of 78
 - d. Kinds of interest
 - i. Simple interest
 - ii. Declining balance method
 - iii. Minimum monthly payment trap
 - e. Applying for credit
 - i. The "5 c"s of credit"
 - ii. Credit scores

- f. Legal aspects of consumer credit
 - i. Protection options for consumers
 - ii. Counseling services
 - iii. Personal bankruptcy
- 5. Kinds of risk management and the proper amounts needed by the consumer
 - a. Property Insurance
 - i. Areas of potential homeowners' liability
 - ii. Correct policy amount
 - iii. Renters' insurance
 - b. Auto Insurance
 - i. Legal responsibilities
 - ii. Bodily injuries / property damages
 - c. Health Care
 - i. Types of health care coverage
 - ii. Provisions found in typical policies
 - iii. Government health care
 - 1. Medicare
 - 2. Medigap
 - 3. Medicaid
 - 4. Health Care Reform of 2010
 - iv. Disability insurance
 - d. Life Insurance
 - i. Types of life insurance companies
 - ii. Kinds of life insurance
 - 1. Term life
 - 2. Whole life
 - 3. Universal life
 - 4. Variable life
 - iii. Terminology in a life insurance contract
 - iv. Annuities
 - 1. As a financial plan
 - 2. As a source of income
- 6. Consumer tax issues
 - a. Consumer tax responsibilities
 - i. Tax record keeping system
 - ii. Preparation of individual taxes
 - 1. Self
 - 2. Outside preparer: new IRS rules
 - iii. Basic tax planning strategies
 - b. IRS and the consumer
 - i. IRS help sources
 - ii. Audits and penalties
- 7. Savings / investing markets and instruments available to the consumer
 - a. Investing information for the consumer
 - i. Dow Jones Industrial Average
 - ii. Market Indexes, S&P, NYSE, NASDAQ
 - iii. Brokerage report
 - iv. On-line investing
 - b. Stock Market as an investing tool
 - i. Reading the stock listing
 - ii. Common stock
 - iii. Preferred stock
 - iv. Basic market ratios
 - c. Bonds as an investing tool
 - i. Reading the bond listing
 - ii. Kinds of bonds
 - iii. Bond ratings
 - iv. Bond yields
 - d. Mutual funds as an investing tool

- i. Open-ended vs. closed-ended
- ii. Load /no-load funds / for fee
- iii. Money market mutual funds
- iv. Index funds

Resources

Kapoor, Jack Dlabay, Less. *Personal Finance*. 12th ed. McGraw Hill, 2017.

Walker, Robert Walker, Kristy. *Personal Finance*. 2nd. McGraw Hill, 2017.

Madura, Jeff. *Personal Finance*. 6th. Pearson, 2017.

Consumer Report.

Wall Street Journal.

Resources Other

Recommended: Financial calculator programmed for TVM, example: BAII PLUS Texas Instruments

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