

**Rutgers University**  
**Personal Finance and Financial Decision-Making**  
**(Online Course)**

Professor Thomas Prusa

**Course Syllabus**

**Course Description**

The focus will be on providing basic tools of financial planning, insurance, borrowing, tax planning, and managing money. Topics include simple interest, simple discount, compound interest, annuities, investments, retirement plans, credit cards, mortgages, student loans, leasing, insurance, and futures and options. The goal of this class is to increase financial literacy and give students the knowledge, skills, and confidence to be financially secure today and in the future.

*This course does **not** count toward the economics major or minor.*

**SAS Core Curriculum**

This course satisfies SAS Core Curriculum learning goals *Quantitative Information* (QQ) and *Mathematical or Formal Reasoning* (QR).

- QQ: Formulate, evaluate, and communicate conclusions and inferences from quantitative information.
- QR: Apply effective and efficient mathematical or other formal processes to reason and to solve problems.

**Course pre-requisite**

The pre-requisite for this course is Elementary Algebra (01:640:025) or equivalent.

**Important Dates:**

- Last day to drop classes without a “W” grade: September 13<sup>th</sup>
- Last day to add classes: September 14<sup>th</sup>
- Last day to drop with a “W” grade: October 31<sup>st</sup>
- Thanksgiving break: November 24 – 25
- Last day of classes: December 14<sup>th</sup>
- Reading day: December 15<sup>th</sup>
- Final exam period: December 16 – December 23<sup>rd</sup>
- Date of our in-class final exam: TBD – **Do not make travel plans unless you intend to take the final online** (see below for more information).

**Required Materials:**

1. *Focus on Personal Finance*, 5<sup>th</sup> edition, Jack Kapoor, Les Dlabay, Robert J. Hughes, McGraw-Hill.
2. [McGraw-Hill Connect](#) course system (online subscription required)
3. Access to a spreadsheet (e.g., *Microsoft Excel*, *Google Sheets*, or *Apple Numbers*).

Comments regarding the required materials:

1. **Textbook:**

The Rutgers bookstore offers two versions of the textbook bundled with a *Connect* code. You can choose either option.

- a) A *Connect* access code, ISBN # 978-125935194-5. This “all digital” option gives you access to the *Connect* website which includes an e-book.
- b) A loose-leaf, 3-hole punched version with a *Connect* code, ISBN # 978-125962287-8.

Here are a couple of alternatives to purchasing the textbook from the bookstore.

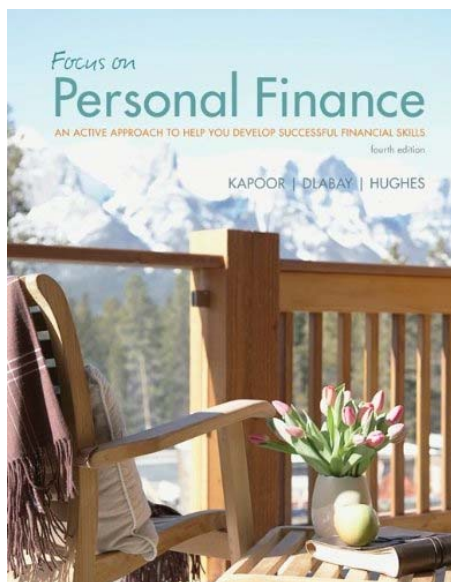
- The “all digital” option purchased directly from the *Connect* [website](#) using a credit card. The *Connect* website includes an e-book.

<http://connect.mheducation.com/class/t-prusa-fall2016>

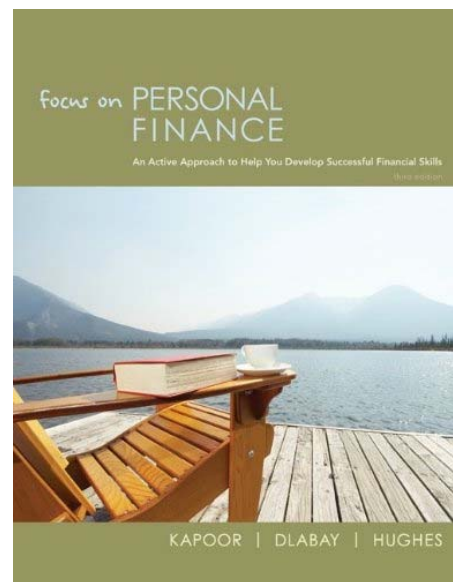
- NOTE: Once your purchase access to *Connect* using a credit card, you’ll see the option to purchase a loose-leaf, binder ready version of the book directly from McGraw-Hill for \$60. This is the same version of the book as listed in option (a) above.
  - Direct purchase of the loose-leaf book is an okay deal, but you will probably save money by purchasing a used copy of the textbook (see below) rather than the direct purchase.
- A good option can involve combining the “digital access” with a used copy of the physical textbook to accompany the *Connect* website. If you want a used textbook, you can use the 3<sup>rd</sup>, 4<sup>th</sup> or 5<sup>th</sup> edition.
  - It is my understanding that the paperback version of the textbook has a higher resale value than the loose-leaf version. That might matter if you are planning on reselling the book. Many resellers will not purchase your used loose-leaf version.



Cover picture on the new 5<sup>th</sup> edition



Cover picture on the 4<sup>th</sup> edition



Cover picture on the 3<sup>rd</sup> edition

## 2. *Connect* course system:

- The [website](#) includes online problem sets, study guide, supplemental materials, and an online version of the textbook.
- *Connect* is McGraw-Hill's online assignment and assessment software. You will use *Connect* to complete your homework assignments and midterm tests.
- Once you register for the course you'll have access to the homework assignments, practice problems, adaptive software called *LearnSmart* and an e-book for 180 days.
- If you choose to purchase a used copy of the textbook you will need to purchase access to the *Connect* course system directly from the McGraw-Hill website.
  - Be very careful if you want to order a *Connect* code online from someplace other than McGraw-Hill. These tend to be scams – if you see an access code for \$25, my guess is it is too good to be true.

## 3. Spreadsheet:

- This class assumes you have a basic working knowledge of spreadsheets (e.g., how to enter values and formulas into cells, how to save work, how to edit work, etc.).
- If you do not have a basic working knowledge of spreadsheets then you should not take this class.

## How to register for *Connect*

if you have any questions, the following webpage has more registration advice:

<http://create.mcgraw-hill.com/wordpress-mu/success-academy-student/student-registration/>

1. Go to this Webpage:

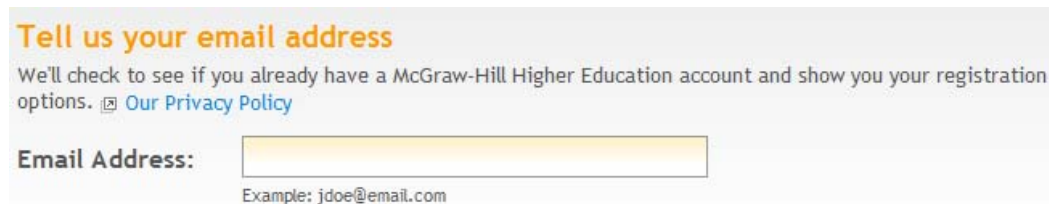
<http://connect.mheducation.com/class/t-prusa-fall2016>

2. Click the “**Register Now**” link



3. Enter your **Rutgers e-mail address**.

If you've registered for McGraw-Hill's Connect access in a previous course (or concurrently in a different course) use that same e-mail address.



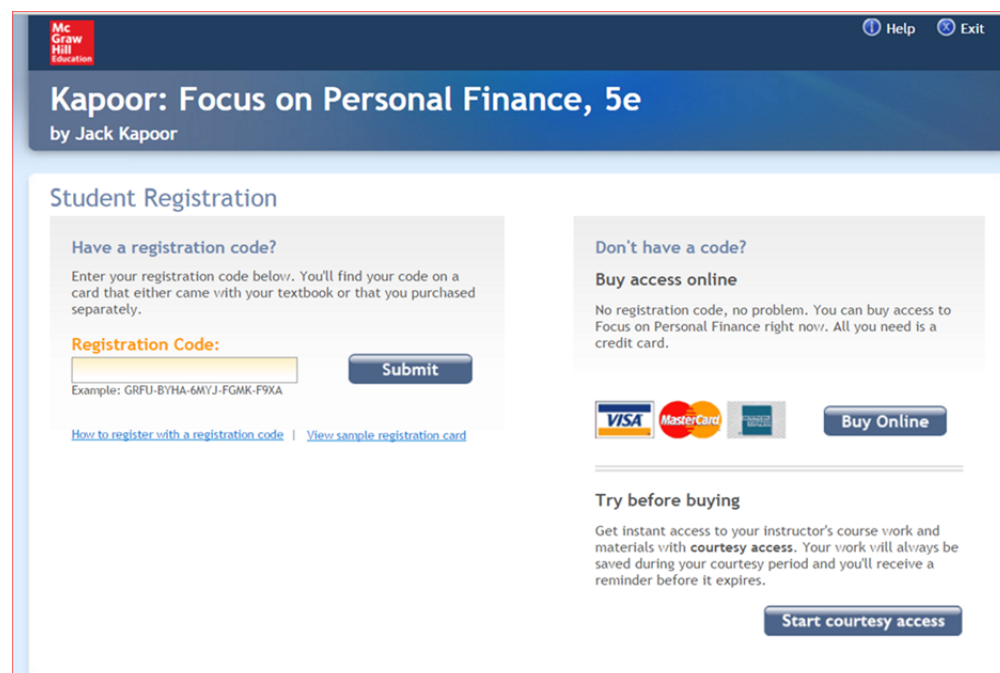
**Tell us your email address**

We'll check to see if you already have a McGraw-Hill Higher Education account and show you your registration options. [Our Privacy Policy](#)

**Email Address:**

Example: jdoe@email.com

4. Then do one of the following:



**McGraw Hill Education** Help Exit

**Kapoor: Focus on Personal Finance, 5e**  
by Jack Kapoor

**Student Registration**

**Have a registration code?**

Enter your registration code below. You'll find your code on a card that either came with your textbook or that you purchased separately.

**Registration Code:**

Example: GRFU-BYHA-6MYJ-FGMK-F9XA




[How to register with a registration code](#) | [View sample registration card](#)

**Submit**

**Don't have a code?**

**Buy access online**

No registration code, no problem. You can buy access to Focus on Personal Finance right now. All you need is a credit card.

   **Buy Online**

**Try before buying**

Get instant access to your instructor's course work and materials with **courtesy access**. Your work will always be saved during your courtesy period and you'll receive a reminder before it expires.

**Start courtesy access**

- a) If you purchased a book with *Connect* code (on a sheet of paper shrink-wrapped inside the book):
- Enter the **Connect registration code number** in the appropriate boxes.
  - Click the **Submit** button (see screen shot above). On the next screen you will complete the registration process.
  - You'll have access to the *Connect* assessment software, the e-book and additional resources for 180 days.
- b) If you want to purchase access directly from McGraw-Hill:
- Click the **Buy Online** button (under "Don't have a code?").

- c) If you're unsure whether you intend to stay in the course:
- Click the “**Start courtesy access**” button on the registration page, after entering your e-mail address (see screen shot).
  - This option provides you access to *Connect* until September 16<sup>th</sup>.

At the end of the trial period you'll be prompted to either enter a *Connect* registration code number [bookstore Options (a) or (b)] or purchase access to *Connect*.

Any work you complete during this period will be saved.

If you encounter issues registering you'll need to contact McGraw-Hill's customer experience group at 1-800-331-5094. No one at Rutgers (the professor, the class TA, Rutgers computer support, etc.) provides tech-support for *Connect*. All *Connect* tech-support is provided by McGraw-Hill.

### Structure of the course

Every week several video lectures will be available. The lectures will cover the material for the week. The lectures will vary in length. Most will range from 5 to 15 minutes; some will be as long as 60 minutes. The lectures will be similar to standard classroom lectures except that they will be asynchronous; you can watch them online when most convenient to you.

The lectures will involve

- PowerPoint slides summarizing the chapters (i.e., lecture notes). These slides will include “voice over” explanation and discussion of the slides.
- Discussion of financial formulas and concepts; financial planning.
- Review of homework problems, how to use a spreadsheet for financial planning, etc.
- Discussion of “real life” application of the ideas covered in the book.

Some of the slides will be posted to the course [Sakai](#) website and others will be available on the [McGraw-Hill Connect website](#).

### Assignments, Exams, and Grading

Your final grade will be based on homework assignments, two “midterm” tests (during the term), and a final exam (at the end of the term).

Exam/Assignments	Date Due	Weight
Homework (problems & <i>LearnSmart</i> )	See website for due dates	10%
Midterm Test #1 (Chapters 1-4)	October 20-21	20%
Midterm Test #2 (Chapters 5-8)	November 17-18	20%
Final Exam (comprehensive)	In-person (on campus): TBA Online: December 20 <sup>th</sup> -21 <sup>st</sup>	50%
Extra Credit Assignments	See below	2%-10%

### Homework (10% of total points):

Each week's homework grade is made up of two components: Graded Problem Sets and *LearnSmart*.

- **Graded Problem Sets:** There will be 14 graded problem sets (corresponding to each chapter). The problem sets must be done online and submitted electronically using the *Connect* website.
- ***LearnSmart*:** There will be 14 *LearnSmart* modules (corresponding to each chapter). *LearnSmart* is an intelligent online study guide. It will ask you questions about the material and then learn about your strengths and weaknesses. It will ask fewer questions on material that you have mastered and ask more questions on material with which you are struggling.

*LearnSmart* is submitted via *Connect*. Completion requires comprehension. These modules will generally take one to two hours to complete.

Some additional comments regarding the homework:

- Typically one *LearnSmart* module and one problem set will be due each week.
- Late homework will receive no credit.
- Your score for each chapter is computed as the average of the graded homework and the *LearnSmart* module. For example, if in Chapter 1 you receive 90% for the *LearnSmart* module and 80% for the graded homework, your homework score for Chapter 1 is 85%.
- The lowest two (2) homework scores will be dropped.
- There are also Practice Problems in each chapter. These problems are for extra practice, but do **not** factor into your homework grade. If you are struggling with material in a chapter, these are good for practice.



**Midterm Tests (each test is worth 20% of total points):**

There will be two online midterm tests (dates given above). These exams are taken through the *Connect* website. The midterm questions will be similar to those on the graded homework. These exams are open book and open notes. You can use a calculator and spreadsheet on the midterms.

Note, this a major difference between the midterms and the final exam. **The final exam is a closed book, no notes, and no calculator exam.** Please keep this in mind when studying for these exams – making a study guide for each chapter during the semester will save some time when studying for the final.

You will be given a 24 hour window in which you can do each midterm test. I will open the exam at 12noon on day 1 and the window will close the following day (“day 2”) about 12noon.

**Once you start the test you will have 1 hour to finish.** You cannot “pause” the midterm.

**Late tests will receive no credit.**

**There are no make-up exams in this class.** If you must miss an exam, please notify me as far in advance as possible, and be prepared to provide corroborating medical documentation. Notification must occur prior to the exam start time. If the evidence is sufficient, then your final average will be re-weighted. For example, if you are in the hospital during Exam 1, your Exam 2 will count for 30% and the final for 60%.

Notes:

- Once you sit for an exam, that exam score is counted toward your final average.
- Calculators and spreadsheets will be permitted on the midterm tests but **NOT** on the final exam.



**Final Exam (50% of total points):**

- The final is cumulative and has 70 multiple choice questions. In contrast to the midterms, the final exam incorporates *LearnSmart* type questions, so it is important to prepare for this as we progress through the semester.
- You have two options for taking the final exam: (i) in-person, on-campus here on the Rutgers-New Brunswick campus or (ii) online.
- **I strongly recommend you take the exam in-person, on-campus.**
  - **In-person, On-Campus**
    - A traditional format final exam. You will show-up to the designated lecture hall, I'll distribute paper exams, and you will fill-out a scantron with your answers. You will have 3 hours to complete the test.
    - Due to limitations with the Rutgers exam scheduling system, we will not be told the date or time of the final exam until about a month prior to exams.
    - I will post an announcement in Sakai as soon as I know the exam date and time.
  - **Online Option**
    - If you would prefer to take the final online, there will be an option for that as well.
    - The exam will open on December 20, 2016 at 12:00PM (noon) and will close on December 21, 2016 at 11:00PM.
    - While you can start the exam any time during this window, you will only have 3 hours to complete the exam. You cannot "pause" the final exam.
    - The online option requires an excellent internet connection and webcam so that the proctor can watch you take the exam.
    - **There is an additional cost associated with taking the exam online.** Take the exam online costs about \$50 (payment to the monitoring company).
    - As we get closer to final exam time, more information will be posted on Sakai.
    - You must sign-up for the online exam in advance of the final. If you choose this option, please watch for information via Sakai.
- **Phones, iPods, computers (i.e., spreadsheets, notes) and calculators are NOT allowed during the final exam. However, a formula sheet will be provided.**

### Extra Credit

I will offer students several opportunities to earn extra credit points. You can do one or more of the options – for a potential of up to 10% extra points.

#### Option #1 (3% of total points)

To help me understand students' knowledge of personal finance, I have created two short optional quizzes. The first quiz (to be taken during the first week of the semester) should take about 5 minutes. The second quiz (to be taken during the last week of the semester) should take 10-15 minutes. They are on the Sakai class site under the tab "Tests & Quizzes". While your performance on these quizzes will not directly affect your grade I do hope you try to do your best.

You must participate in both of the "non-graded" quizzes to get the extra credit. Here's why: I want to get a sense of what undergraduate students know about personal finance before and after the course. This will help me make adjustments to the course for future semesters.

If you do both of these optional quizzes (regardless of your score on the optional quizzes) I will give you 3 extra credit points.

#### Option #2 (5% of total points)

Participate in one of our two class "book clubs". You will need to read the book and participate in the club's online chat forum. I will post a few questions and you must respond with your comments and views. In addition, other classmates may post questions and you are expected to comment/respond to their posts. Information about joining the club (including the specific books that we will read this semester) will be provided in a few weeks. Each club needs at least 5 students to get started. You can only participate in one book club.

#### Option #3 (2% of total points)

I will announce one additional short assignment near the end of the term. It will be "fun" and is intended as a way to summarize the "big ideas" of the course.

### Twitter

I will send out regular announcements using the Sakai system. Sakai announcements go to your email address.

You can also use Twitter to follow class announcements. Follow

**RUEco110Fall16**

**Grading**

The final letter grade will be determined according to the following distribution:

<b>Total Percentage Points Earned</b>	<b>Grade</b>
90-100%	A
85-89.99%	B+
80-84.99%	B
75-79.99%	C+
70-74.99%	C
60-69.99%	D
Below 60%	F

**Office hours:**

“Virtual” office hours will be held each week, at a time to be announced. TA and/or professor will be online in the Sakai chat room.

**Learning Objectives:**

Students will learn core financial concepts such as interest, present value, risk, diversification, and insurance. Students will also

- Learn the social and economic influences on personal financial goals and decisions
- Improve their skills in using spreadsheets and other tools in common use for analyzing financial information
- Be introduced to major types of financial instruments including stocks, bonds, mutual funds, and to investments in real estate
- Learn how to identify different types of taxes and calculate tax implications of different types of income and investment strategies
- Develop short-run and long-run personal finance goals

**Academic Integrity:**

All students are bound by the Rutgers policy on academic integrity. The University's policy on academic integrity is found in the official website at

<http://academicintegrity.rutgers.edu/academic-integrity-at-rutgers>

Violating this policy is a very serious matter, and you are strongly advised to observe it meticulously in all your courses.

I want to bring particular attention to one section of this policy:

***Cheating:*** *Cheating is the use of inappropriate or prohibited materials, information, sources, or aids in any academic exercise. Cheating also includes submitting papers, research results and reports, analyses, etc. as one's own work when they were, in fact, prepared by others. Some common examples are:*

- *Receiving research, programming, data collection, or analytical assistance from others or working with another student on an assignment where such help is not permitted.*
- *Copying another student's work or answers on a quiz or examination.*
- *Using or possessing books, notes, calculators, cell phones, or other prohibited devices or materials during a quiz or examination.*
- *Submitting the same work or major portions thereof to satisfy the requirements of more than one course without permission from the instructors involved.*
- *Preprogramming a calculator or other electronic device to contain answers, formulas, or other unauthorized information for use during a quiz or examination.*
- *Acquiring a copy of an examination from an unauthorized source prior to the examination.*
- *Having a substitute take an examination for one.*
- *Having someone else prepare a term paper or other assignment for one.*

*The sanction for a Cheating violation ordinarily is an F for the course and suspension for one or more semesters, depending on the seriousness of the violation.*

**Student-Wellness Services:**

- Just In Case Web App, for a mental health crisis for you or a friend:
  - <http://codu.co/cee05e>
- Counseling, ADAP and Psychiatric Services (CAPS), for non-emergency psychological health issues:
  - (848) 932-7884  
17 Senior Street, New Brunswick, NJ 08901  
[www.rhscaps.rutgers.edu](http://www.rhscaps.rutgers.edu)
- Violence Prevention and Victim Assistance (VPVA)
  - (848) 932-118  
13 Bartlett Street, New Brunswick, NJ 08901  
[www.vpva.rutgers.edu](http://www.vpva.rutgers.edu)
- Disability Services
  - (848) 445-6800  
Lucy Stone Hall, Suite A145, Livingston Campus, 54 Joyce Kilmer Avenue, Piscataway, NJ 08854  
<https://ods.rutgers.edu>
- Scarlet Listeners, for confidential peer counseling and referral hotline:
  - <http://www.scarletlisteners.com>  
(732) 247-5555

**Accessibility of Online Courses**

Rutgers University welcomes students with disabilities into all of the University's educational programs. In order to receive consideration for reasonable accommodations, a student with a disability must contact the appropriate disability services office at the campus where you are officially enrolled, participate in an intake interview, and provide documentation:

<https://ods.rutgers.edu/students/documentation-guidelines>

If the documentation supports your request for reasonable accommodations, your campus's disability services office will provide you with a Letter of Accommodations. Please share this letter with your instructors and discuss the accommodations with them as early in your courses as possible. To begin this process, please complete the registration form on the ODS web site at:

<https://ods.rutgers.edu/students/registration-form>

**Tentative class schedule**

The schedule may change but this outline gives you an idea of the topics I plan to cover as well as the pace of the course.

<b>Week</b>	<b>Chapters</b>	<b>Topic</b>
0	Introduction	What is the course about?
1	Ch. 1	Time value of money; inflation
2	Ch. 2	Saving: IRA (Roth and traditional); 401K, 403B, annuities, etc.
3	Ch. 3	Taxes
4	Ch. 4	Savings plans and financial services
5	Ch. 5	Consumer finance, credit, debt management
6	Ch. 6	Rent vs. Lease
7	Ch. 7	Buying a house
8	Ch. 8	Home and automobile insurance (risk management)
9	Ch. 9	Health, disability income insurance
10	Ch. 10	Financial planning; life insurance (risk management)
11	Ch. 11	Investing basics: bonds
12	Ch. 12	Investing basics: stocks
13	Ch. 13	Investing basics: mutual funds
14	Ch. 14	Retirement and estate planning