

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

Geoffrey Clarke

gclarke@economics.rutgers.edu

In-person office hours: Thursdays from 10am-12pm, New Jersey Hall, room 306

Online office hours: Mondays from 11am-12pm, via text to a phone number to be determined

Final Exam: December 20-22 (exact time to be determined)

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*

Learning Objectives

After participating in this course, students will be able to:

- Make investment decisions with the ability to calculate the time value of money
- Understand the factors to consider when purchasing major items, such as homes, cars, and insurance
- Create a budget and manage household expenses
- 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

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 prerequisite

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

Important Dates:

- Last day to drop classes without a “W” grade: September 12
- Last day to add classes: September 13
- First LearnSmart due: September 19
- First homework due: September 21
- First midterm (online): October 12-13
- Extra credit book club, "The Total Money Makeover," by Dave Ramsey: October 15 – November 19
- Last day to drop with a “W” grade: October 30
- Second midterm (online): November 9-10
- Thanksgiving break: November 23-26
- Last day of classes: December 13
- Reading day: December 14
- Final exam period: December 15-22
- Date of our in-class final exam: December 20-22. Exact time to be determined. Several earlier makeup times will be available. Taking the in-class exam is strongly recommended
- Date of online final exam: December 21-22. Exact time to be determined. Taking the online final exam will require an extra payment.

Required Materials:

1. *Focus on Personal Finance, 5th 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.

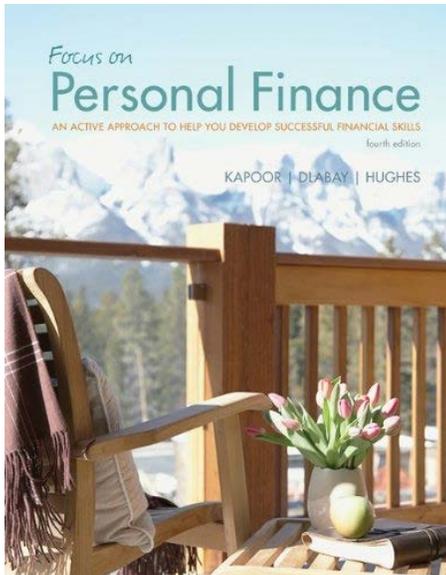
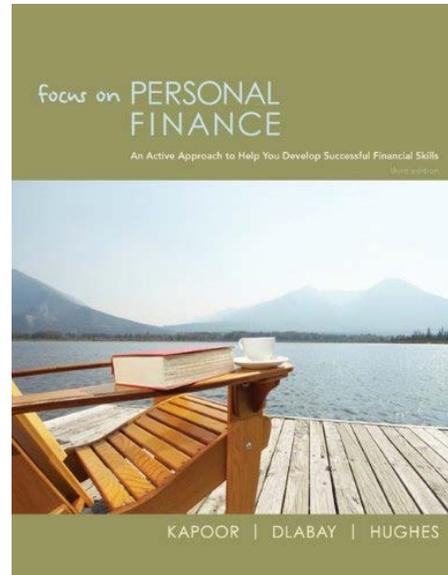
- The “all digital” option purchased directly from the [Connect website](#) using a credit card. The *Connect* website includes an e-book.

<http://connect.mheducation.com/class/g-clarke-fall-2017>

- 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.
- You may want to combine 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 3rd, 4th or 5th edition.
 - 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 5th edition

Cover picture on the 4th editionCover picture on the 3rd 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.).

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/g-clarke-fall-2017>

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:

- 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.
- If you want to purchase access directly from McGraw-Hill:
 - Click the “**Buy Online**” button (under “Don’t have a code?”).
- 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 16th.

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 instructor, 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 Connect or Sakai for due dates | 10% |
| Midterm Test #1 (Chapters 1-4) | October 12-13 | 20% |
| Midterm Test #2 (Chapters 5-8) | November 9-10 | 20% |
| Final Exam (comprehensive) | In-person (on campus): between December 20-22 Online: December 21-22 | 50% |
| Extra Credit Assignments | See below | 3%-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. The *LearnSmart* module will be due on Tuesday, and the problem set on Thursdays, with these exceptions:
 - To accommodate students joining the class late, the first and second *LearnSmart* modules will both be due on September 19 and the first and second problem sets will be due on September 21.
- 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.
- *Connect* will also generate practice quizzes for you. If you go to the Reports tab and choose Practice Quiz, that report will generate questions that you can use to test yourself on the material in the chapter

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 simple 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 midterms in this class. If you must miss an exam, please notify me as far in advance as possible. It may be possible, with enough notice, to take the midterm early, but there is no provision to take the midterm late. 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.
 - Taking the in-person exam guarantees you a quiet environment, no technical issues, and an ability to ask questions during the exam.
 - 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 be scheduled for the final day of the exam period
 - 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).

- The monitoring company ensures the academic integrity during the exam. In previous semesters, many people taking the online exam have been reported to the Office of Academic Integrity, while none of the students taking the in-person exam have been reported. A report to the Office of Academic Integrity may have serious consequences for your future.
- 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.
- Simple calculators will be allowed during the final exam. Each calculator is subject to approval by the instructor. Phones and scientific calculators will not be allowed.

Extra Credit

I will offer students 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 (7 total points)

Participate in our class Book Club. You will need to read the book and participate in the club's online chat forum. I will post a few questions and you will respond with your comments and views. In addition, other classmates may post questions and you will comment/respond to their posts. Information about joining the club will be provided in a few weeks.

Option #2 (3 total points)

I will announce one additional short assignment at the end of the term. It will be a short assignment that is intended to summarize the “big ideas” of the course.

Grading

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

| Total Percentage Points Earned | Grade |
|--------------------------------|-------|
| 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 |

Contact Information and Office hours:

The best way to contact me is via email. My Rutgers email is gclarke@economics.rutgers.edu. You may also email me at my personal email,

geoff.clarke@gmail.com. I will respond to emails within 24 hours (48 hours on weekends). If you don't hear from me within that time, please send another email.

Connect also offers an option to ask the instructor a question about the problem set. I check this queue less often, but will respond within four days.

The chat room on Sakai I monitor once a week. The Chat room is chiefly for students to ask questions of other students.

I am also available during the following office hours:

In-person: Thursdays from 10am-12pm, New Jersey Hall, room 306

Online: Mondays from 11am-12pm, via text to a phone number to be determined

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
- Violence Prevention and Victim Assistance (VPVA)
 - (848) 932-118
13 Bartlett Street, New Brunswick, NJ 08901
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>

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.

| Week | Chapters | Topic |
|-------------|-----------------|---|
| 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 |