**COURSE OUTLINE**

**COURSE CODE: MB771**

**COURSE TITLE: Personal Finance**

**DURATION OF THE COURSE: 12 Weeks**

**CREDITS/ SEMESTER : 2 / III**

**LECTURE: 3**

**TEXT: Personal Finance, 9th edition**

**AUTHOR: Kapoor, Dlabay, Hughes**

**PUBLISHER: McGraw-Hill**

**COURSE DESCRIPTION:**

Basics of financial planning including budgeting, buying, income tax, investments, home ownership, and insurance, with a special emphasis on wills and trusts.

**Prerequisite:** None

**COURSE CONTENT**

**Unit 1 Planning**

**Learning Objectives**:

Student should be able to…

1. Analyze the process for making personal financial decisions

2. Develop personal financial goals

3. Assess personal and economic factors that influence personal financial planning

4. Determine opportunity costs associated with personal financial decisions

5. Identify strategies for achieving personal goals for different life situations

6. Recognize the importance of the time value of money concept

7. Describe the activities associated with career planning and advancement

8 Evaluate the factors that influence employment opportunities

9. Implement employment search strategies

10. Assess the financial and legal concerns related to obtaining employment

11. Analyze the techniques available for career growth and advancement

**Unite 2 Financial Records and Budgeting**

**Learning Objectives:**

Student should be able to…

1. Recognize relationships among financial documents and money management

2. Create a system for maintaining personal financial records

3. Develop a personal balance sheet and cash flow statement

4. Create and implement a budget

5. Calculate savings needed to achieve financial goals

**Unit 3 Tax Planning**

**Learning Objectives:**

Student should be able to…

1. Describe the importance of taxes for personal financial planning

2. Understand the difference between federal and state income tax structure.

3. Calculate taxable income and the amount owed for federal income tax

4. Prepare a federal income tax return

5. Identify tax assistance sources

6. Select appropriate tax strategies for different financial and personal situations

**Unit 4 Financial Services (savings and checking accounts)**

**Learning Objectives**:

Student should be able to…

1. Analyze factors that affect selection and use of financial services

2. Compare the types of financial institutions

3. Compare the costs and benefits of various savings plans

4. Identify the factors used to evaluate different savings plans

5. Compare the costs and benefits of different types of checking accounts

**Unit 5 Consumer Credit, Purchasing and Legal Protection**

**Learning Objectives**:

Student should be able to…

1. Define credit and analyze its advantages and disadvantages

2. Differentiate among various types of credit

3. Assess your credit capacity and build your credit rating

4. Describe the information creditors look for when you apply for credit

5. Identify the steps you can take to avoid and correct credit mistakes

6. Describe the laws that protect you if you have a complaint about consumer credit

7. Analyze the major sources of credit

8. Determine the cost of credit by calculating interest using various interest formulas

9. Develop a plan to manage your debt

10. Evaluate various private and governmental sources that assist consumers with credit problems

11. Assess the choices in declaring personal bankruptcy

12. Assess the financial implications of consumer purchasing decisions

13. Evaluate the alternatives in consumer purchasing decisions

14. Implement strategies for effective purchasing

15. Identify steps to take to resolve consumer problems

16. Evaluate the legal alternatives available to consumers

**Unit 6 Housing**

**Learning Objectives**:

Student should be able to…

1. Evaluate available housing alternatives

2. Analyze the costs and benefits associated with renting

3. Calculate the costs associated with buying a home

4. Develop a strategy for selling a home

**Unit 7 Home, Life Insurance and Automobile Insurance**

**Learning Objectives**:

Student should be able to…

1. Develop a risk management plan using insurance

2. Discuss the importance of property and liability insurance

3. Explain the insurance coverages and policy types available to homeowners and renters

4. Analyze factors that influence the amount of coverage and cost of home insurance

5. Identify the important types of automobile insurance coverage

6. Evaluate factors that affect the cost of automobile insurance

7. Explain why the costs of health insurance and health care have been increasing

8. Define *health insurance* and *disability income insurance* and explain their importance in

financial planning

9. Recognize the need for disability insurance

10. Analyze the benefits and limitations of the various types of health care coverage

11. Evaluate private sources of health insurance and health care

12. Appraise the sources of government health care programs

13. Define *life insurance* and describe its purpose and principles

14. Determine your life insurance needs

15. Distinguish between the two types of life insurance companies and analyze various types of life

insurance policies these companies issue

16. Select important provisions in life insurance contracts

17. Create a plan to buy life insurance

18. Recognize how annuities provide financial security

**Unit 8 Investing**

**Learning Objectives**:

Student should be able to…

1. Explain why you should establish an investment program

2. Describe how safety, risk, income, growth, and liquidity affect your investment decisions

3. Identify the major types of investment alternatives

4. Recognize the importance of your role in a personal investment program

5. Use various sources of financial information that can reduce risks and increase investment

returns

6. Identify the most important features of common stock

7. Discuss the most important features of preferred stock

8. Explain how you can evaluate stock investments

9. Analyze the numerical measures that cause a stock to increase or decrease in value

10 Describe how stocks are bought and sold

11 Explain the trading techniques used by long-term investors and short-term investors

12. Describe the characteristics of corporate bonds

13. Discuss why corporations issue bonds

14. Explain why investors purchase corporate bonds

15. Discuss why federal, state, and local governments issue bonds and why investors purchase

government bonds

16 Describe the characteristics of mutual fund investments

17 Classify mutual funds by investment objectives

18 Evaluate mutual funds for investment purposes

19 Describe how and why mutual funds are bought and sold

20 Compare the benefit and costs of employer-sponsored savings plans

21 Identify types of real estate investment

22 Evaluate the advantages of real estate investment

23 Assess the disadvantages of real estate investments

24 Analyze the risks and rewards of investing in precious metals, gems, and collectibles

**Unit 9 Retirement Planning**

**Learning Objectives:**

Student should be able to…

1. Recognize the importance of retirement planning

2. Analyze your current assets and liabilities for retirement

3. Estimate your retirement spending needs

4. Identify your retirement housing needs

5. Determine your planned retirement income

6. Develop a balanced budget based on your retirement income

**Unit 10 Estate Planning**

**Learning Objectives:**

Student should be able to…

1. Analyze the personal aspects of estate planning

2. Assess the legal aspects of estate planning

3. Distinguish among various types and formats of wills

4. Appraise various types of trusts and estates

5. Evaluate the effects of federal and state taxes on estate planning

**Course Grade Evaluation:**

**QUIZZES: 10%**

**ASSIGNMENT: 25%**

**TUTORIALS: 15%**

**END EXAM: 50%**

 **Course Faculty PAC Chairman HOD**

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