

## **BPS 300 – Practical Financial Management for the Working Professional**

### **Spring 2008**

#### **Instructor Information**

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<http://blackboard.syr.edu> (all of you should have an SU Blackboard account)

E-mail is my preferred method of communication. I check E-mail on a regular basis and reply as quickly as possible, generally on the following schedule, though subject to some variation:

- E-mails received before 5PM on Monday-Thursday will be replied same day
- E-mails received after 5pm Monday-Thursday will be replied on the next day
- E-mails received after 1pm on Friday or over the weekend will be replied on Monday, generally in the morning.

#### **Textbook**

Altfest, L.J. (2007) *Personal financial planning*. New York. McGraw Hill-Irwin

#### **Learning Objectives**

Practical, real life application of general skills that working individuals require in making every day financial decisions. Topics covered include (but not limited to) Budgeting, managing credit, tax planning, reading financial statements, making investment

decisions, retirement planning, education planning and estate planning. Course focus is on practical application, not mathematical analysis.

From this course, you will gain a practical understanding of how to take basic concepts that are essential to making day-to-day decisions as a working professional from the areas referenced in the previous paragraphs and apply them in everyday situations that may be expected of a working professional with the credentials provided from the BPS program.

This course is not a typical management/business class that is found in business schools or offered in the Whitman School of Management. In this regard, business (Whitman) students should not enroll in this class and will not get credit for completion of this course.

### Grading Scale

Approximate cutoffs for grades are as follows:

A = 93, A- = 90, B+ = 87, B = 83, B- = 80, C+ = 77, C = 73, C- = 70, D=65,

F = below 65

Weights and cutoffs shown above are approximate. I reserve the right to alter some of the overall grade weights as final grades are computed at my discretion. Additionally, I reserve the right to adjust “borderline” cases near breakpoints upward or downward at my full discretion.

Though there is no curve in this class, to allow for some instructor flexibility in grading, grades can also be raised by as much as 5% (five bonus points) for outstanding participation and attitude and will be lowered by up to 15% (15 points) for poor participation and overall attitude.

To assure that all students complete this course with the minimum objectives required, there will be NO CURVES in this class. There are no “quotas” for percentage of the class that will receive A’s or F’s. What you get for the class depends strictly on your performance.

It is the job of the student to work up to the difficulty level of the class, the difficulty level of the class is not lowered to meet student expectations and workload desire.

## Assignments and Weights

### **Weekly Homework      35%**

Each week there are two weekly homework assignments due on Wednesday and Saturday respectively. The weekly assignments are discussion questions located at the end of the textbook chapter. Each week, you should answer these questions from your reading of the chapter. When you complete the weekly discussion questions, your answers should be posted to the appropriate discussion board located on Blackboard. Only assignments submitted properly to Blackboard will earn credit. Late submissions or submissions to my E-mail earn no credit, no exceptions.

### **Mid-Term Exam          25%**

Exam will be a take-home open book and open note exam. Questions can be a mixture of multiple choice, short answer, true/false and essay questions.

### **Final Exam              30%**

Exam will be a take-home open book and open note exam. Questions can be a mixture of multiple choice, short answer, true/false and essay questions.

### **Weekly Discussion      10%**

Using the "Discussion Board" in Blackboard, there is a discussion board specifically for weekly class discussion. Within this board, I have listed a series of discussion questions and/or tasks for you to complete via the board with the class for each week. I expect that each student will provide answers and opinions on each issue that I post, respond to the postings of fellow classmates and post additional questions.

In addition to answering questions that I post, I expect students to use these discussion forums to post any questions that arise from the reading and homework. I will monitor this forum and post responses as necessary. I expect students to respond to the additional questions of other classmates.

A Bi-weekly discussion grade will be posted on Blackboard for each student. In assigning discussion grades, quantity of postings is not as important as quality of postings. All postings that receive credit must demonstrate comprehension of assigned readings, assignments, other postings, personal knowledge and experiences that you bring into the class. Students should be logging into the course and posting responses at a minimum of two days per week.

The due date for discussion postings is 11:59pm BLACKBOARD SERVER TIME each week on the day indicated on the board (Saturday). Posts for a week after that time will not be evaluated or graded.

### Late Assignment Policy

All weekly homework, discussion and exams must be completed and submitted by the deadlines in the syllabus. I can accept no late work and make no exceptions to this rule out of fairness to the class as a whole. Work received late after the Blackboard official time is an automatic zero.

If you are going to be unable to submit on the due date, it is your responsibility to contact me in advance and submit it during the week due BEFORE the due date. Don't wait until last minute to complete an assignment, because emergencies happen and exceptions are not made for these instances!

### Academic Integrity

"Syracuse University has adopted an ACADEMIC INTEGRITY POLICY emphasizing that honesty, integrity and respect for others are fundamental expectations in our school.

Academic Integrity Rule for This Course:

Any instance of academic integrity violation in this class, regardless of severity is treated on a zero-tolerance, no second chance policy. If you are observed/ caught violating the policy, whether it be as severe an offense as cheating on an exam/quiz or as minor as collaborating on a take home graded assignment, you will receive an automatic "F" for the course (regardless of performance on other assignments) and be reported to the academic integrity office for official documentation in your file and additional disciplinary action by the school if warranted at their discretion per the academic integrity policy. This additional disciplinary action could include suspension or expulsion from the school for the most severe of violations.

If you are awarded an automatic "F" by me for violating the policy, and if the official academic withdraw or drop deadline has not yet passed, I will not sign the necessary petition to let you out of the class and remove the "F" from your transcript.

Not knowing that an action was considered a violation of the school academic integrity policy (ignorance) is no excuse once caught and will not cause me to reduce or eliminate the punishment in the previous paragraphs. If you have any questions as to whether or not an action would be considered a violation, come see me prior to

completing the assignment and engaging in the questionable action. After the fact explanation is too late!

## Special Needs

If you have special learning needs and require special accommodations as diagnosed by the Office of Disability Services (ODS), you should see me by the **second week of classes** with the appropriate ODS paperwork so that we have the time to work together and make any necessary arrangements. I will be pleased to meet with you confidentially outside of class to discuss your needs and make any necessary arrangements as prescribed by ODS so that all of your exam taking needs are met.

## Personal Objectives

My goal for this course is to help you develop not just your skills in financial planning, but to help you develop as a student and person. I am here to help you and will do whatever necessary to make our time together productive, enjoyable and beneficial. In order for this to work, open communication is very important.

Whether you have a complaint with how the class is being run, need help with the material, or have ANY other questions related to your classes, the school, selecting a career/major or anything else that I may be able to help you with please come see me.

Remember that I am here to help you! I'm here to be the best professor that you've ever had and will have, and can't do it without your efforts. If you feel you need help with something, or have any suggestions, please let me know. I can't make this class a great experience for you unless I know what you need from me and can provide you with the tools that you need to succeed.

## Class Schedule

Week Of	Content; Assignments; Tests	Reading	Homework
Jan 4- Jan 6	Residency. Intro to course and topics		Make sure you understand course objectives and can use blackboard
Jan 6	<p>Introduction to financial planning</p> <ul style="list-style-type: none"> <li>a. Financial planning process and introduction to CFP Board's <i>Financial Planning Practice Standards</i></li> <li>b. Economic, social, political, and technological environmental impacts to financial planning</li> <li>c. Evolution of financial planning</li> <li>d. Content of a comprehensive plan</li> <li>e. Certification, designations, licenses, and key participants</li> </ul> <p>Role of the planner</p> <ul style="list-style-type: none"> <li>f. Psychology and behavior of investors.</li> <li>g. Interview process</li> </ul>	Chapter 1	<p>Wednesday: questions 1-6</p> <p>Saturday: Questions 7-11</p>

Jan 13	<p>Personal financial statements</p> <ul style="list-style-type: none"> <li>a. Statement of financial position                             <ul style="list-style-type: none"> <li>1. Treatment of retirement resources</li> <li>2. Treatment of taxation and liquidation costs on net worth</li> </ul> </li> <li>b. Differences between GAAP and household accounting</li> <li>c. Cash flow statements</li> <li>d. Pro forma</li> </ul> <p>Interpretation of statements (e.g. financial ratios)</p>	Chapter 5	<p>Wednesday: questions 1-6</p> <p>Saturday: questions 7-11</p>
Jan 20	<p>Credit and debt management (depository/lending institutions)</p> <ul style="list-style-type: none"> <li>a. Financing strategies</li> <li>b. Credit reports and FICO</li> <li>c. Types of credit</li> </ul>	Chapter 7	<p>Wednesday: questions 1-10</p> <p>Saturday:</p>

	<ul style="list-style-type: none"> <li>d. Bankruptcy</li> <li>e. Use of emergency funds and budgets to avoid debt problems.</li> <li>f. Consumer protection laws</li> </ul>		<p>questions 11-20</p>
Jan 27	<p>Tax Planning</p> <ul style="list-style-type: none"> <li>a. Income Taxation</li> <li>b. Income Tax Format</li> <li>c. Analysis of Tax Planning</li> <li>d. Tax Planning Strategies</li> <li>e. Tax-Advantaged Investments</li> </ul>	Chapter 14	<p>Wednesday: questions 1-8</p> <p>Saturday: questions 9-16</p>
Feb 3	<p>Risk management</p> <ul style="list-style-type: none"> <li>a. Evaluate risk management as an overall household approach</li> <li>b. Distinguish the types of risk that people are exposed to</li> <li>c. Demonstrate how risk modification leads to improved financial management</li> <li>d. Analyze the central role insurance plays in reducing risk</li> <li>e. Establish the common types of insurance available</li> <li>f. Compare whole life and term insurance</li> </ul>	Chapter 10	<p>Wednesday: questions 1-10</p> <p>Saturday: questions 11-19</p>

Feb 10 MIDTERM EXAM WEEK. Exam due 2/14 at NOON. No exceptions!

Feb 17	<p>Other Insurance</p> <ul style="list-style-type: none"> <li>a. Determine when insurance should be used</li> <li>b. Describe the role property and liability insurance has in managing potential losses in real property and legal liability</li> <li>c. Indicate how personal insurance can reduce losses in human exposures</li> <li>d. Explain how significant the federal and state governments are in limiting risks.</li> </ul>	Chapter 11	<p>Wednesday: questions 1-7</p> <p>Saturday: questions 8-15</p>
Feb 24	<p>Retirement</p> <ul style="list-style-type: none"> <li>a. Sources of income <ul style="list-style-type: none"> <li>1. Pensions</li> <li>2. Social Security and other government plans</li> <li>3. Personal savings</li> <li>4. Reverse annuity mortgages</li> </ul> </li> <li>b. Retirement needs analysis</li> <li>c. Tax-advantaged accounts</li> </ul>	Chapter 12	<p>Wednesday: questions 1-8</p> <p>Saturday: questions 9-16</p>

	Techniques for retirement projections		
Mar 2	<p>Investments</p> <ul style="list-style-type: none"> <li>a. Introductory topics <ul style="list-style-type: none"> <li>1. Review of investment vehicles</li> <li>2. Difference between insurance risk and investment risk</li> <li>3. Risk and return</li> <li>4. Types of investment risk</li> <li>5. Measurement of risk</li> <li>6. Efficient Market Theory</li> </ul> </li> <li>b. Applications <ul style="list-style-type: none"> <li>1. Objective risk tolerance</li> <li>2. Matching goals and risk tolerance to portfolio allocation</li> <li>3. Passive vs. active management</li> </ul> </li> </ul>	Chapter 9	<p>Wednesday: questions 1-8</p> <p>Saturday: questions 9-16</p>
Mar 16	<p>Educational funding</p> <ul style="list-style-type: none"> <li>a. Needs analysis</li> <li>b. Financing education <ul style="list-style-type: none"> <li>1. Financial aid process and determinants of financial aid</li> <li>2. Sources of financial aid (e.g., loans, grants, scholarships)</li> <li>3. §529 Plans, Coverdell</li> <li>4. UTMA/UGMA</li> <li>5. Treasury bonds</li> <li>6. Retirement plans</li> <li>7. Strategies</li> </ul> </li> <li>c. Taxes and education (credits, deductions)</li> </ul> <p>Education planning policy statement</p>	Chapter 13	<p>Wednesday: questions 1-10</p> <p>Saturday: questions 11-19</p>

Mar 23	<p>Estate Planning</p> <ul style="list-style-type: none"> <li>a. The will</li> <li>b. Objectives of Estate Planning</li> <li>c. Obstacles to Overcome as Part of the Process</li> <li>d. Summary of Strategies</li> </ul>	Chapter 15	<p>Wednesday: questions 1-10</p> <p>Saturday: questions 11-19</p>
Mar 30	<p>Financial services regulation</p> <ul style="list-style-type: none"> <li>a. Registration and licensing</li> <li>b. Reporting</li> <li>c. Compliance</li> </ul>	Web Chapter C from textbook website	<p>Wednesday: questions 1-10</p> <p>Saturday:</p>

	<ul style="list-style-type: none"> <li>d. Suitability and due diligence</li> <li>e. State securities and insurance laws</li> <li>f. Investment advisors act</li> <li>g. Self-regulatory organizations</li> </ul> <p>Regulatory issues and related profession</p>		<p>questions 11-19</p>
Apr 6	<p>Cash Flow Planning</p> <ul style="list-style-type: none"> <li>a. Apply Cash Flow analysis to household finance</li> <li>b. Treat Cash Flow planning as a central activity in PFP</li> <li>c. Utilize Budgeting techniques effectively</li> <li>d. Develop savings approaches</li> <li>e. Employ financial ratios as an evaluation method</li> </ul>	Chapter 6	<p>Wednesday: questions 1-6</p> <p>Saturday: questions 7-12</p>
Apr 13	<p>Background of The General Business Environment</p> <ul style="list-style-type: none"> <li>a. Application of key economic concepts</li> <li>b. Understand the regulation of major financial institutions</li> <li>c. Discuss the advantages and disadvantages of alternative forms of business entity</li> <li>d. Get a basic introduction to basic concepts of business law</li> </ul>	Chapter 17	<p>Wednesday: questions 1-10</p> <p>Saturday: questions 11-20</p>
Apr 20	<p>Capital Needs Analysis</p> <ul style="list-style-type: none"> <li>a. Understand the role of capital needs in personal financial planning integration.</li> <li>b. Appreciate how risk can alter the capital needs calculation.</li> <li>c. Observe the advantages of a total portfolio management approach</li> <li>d. Apply a retirement needs analysis</li> <li>e. Appreciate how a retirement needs analysis calculation forces choices</li> <li>f. Perform an insurance needs analysis</li> </ul>	Chapter 18	<p>Wednesday: questions 1-6</p> <p>Saturday: questions 7-11</p>
Apr 27	<p>Behavioral Financial Planning</p> <ul style="list-style-type: none"> <li>a. Improve upon personal financial planning performance</li> <li>b. Apply behavioral finance to your own personal financial planning</li> <li>c. Target human characteristics that can undermine your planning objectives</li> <li>d. Learn how to overcome human weakness</li> <li>e. Identify goals that differ from those traditional monetary ones</li> </ul>	Chapter 19	<p>Wednesday: questions 1-8</p> <p>Saturday: questions 9-15</p>

	f. Evaluate the strengths and weaknesses of behavioral finance		
May 4	Final Exam. Exam is due Friday 5/9 at 12 NOON. No exceptions!!		