



COURSE:	Finance 250
INSTRUCTOR:	Dr. Bennie D. Waller
OFFICE:	Hiner Building, Room 106
PHONE:	(434) 395-2046
EMAILS:	<a href="mailto:wallerbd@longwood.edu">wallerbd@longwood.edu</a>
OFFICE HOURS:	T/TH 9:15 – 11:15 M 8:00-9:00 Other times by appointment

### Basic Course Information

#### LONGWOOD UNIVERSITY COURSE DESCRIPTION:

An introductory course designed to familiarize the student with the application of mathematics for the individual in the role of a consumer and/or investor. Special attention will be given to mathematical formulas and their application to realistic situations in economics and finance, in particular personal finance. Topics will include banking, budgeting, credit, taxes, insurance, mortgages, automobile loans, annuities, and investments such as stocks and bonds. Consideration will be given to how changes in the macro and micro economic environment affect these topics. Emphasis is on interpretation of results and the effect on decision making. 3 credits.

This course meets the core curriculum Quantitative Pillar.

#### REQUIREMENTS:

**Financial calculator:** The *Texas Instruments BA II PLUS calculator* is recommended and is the calculator used in lectures. An equivalent financial calculator is acceptable, but it is student's responsibility to learn to use it. Learn to use your calculator and always have it available for class.

**Textbook:** **Personal Finance, Turning Money into Wealth**, 7<sup>th</sup> edition by Art Keown, Prentice Hall publishing. Various readings as assigned.

**CURRENT EVENTS:** Student are expected to keep abreast of the current economic and financial events related to the course material. Some sources include [finance.yahoo.com](http://finance.yahoo.com), the Wall Street Journal, and CNBC financial news.

**Graded assignments:** Quizzes and exams are an integral part of this course. These are individual assignments, and the Honor Code applies. All assignments have specific due dates/times. No makeups are permitted, and no quizzes will be reset due to technological or internet issues. Students are encouraged to close other programs and not to wait to the last minute to do assignments. Practice

assignments are provided to reiterate the lecture material and help to prepare students for the graded quizzes and exams. These practice assignments are not graded. Ask questions when you need help.

**Homework/Quizzes:** Homework and quizzes will be assigned throughout the semester covering all of the topics in the course. Some of these assignments will be electronic (i.e., Canvas) while others will be turned into the professor in class. For assignments requiring the student to solve problems involving mathematical calculations, students are reminded to outline such work in an organized fashion which can easily be followed by the professor. Students should write legibly clearly labeling and indicating result (i.e., answer). Homework submitted directly to professor will require both an analytical/quantitative response as well as an explanation of the process and choice of models/formulas. Given this quantitative reasoning and presentation process will be new to many/most of you, these assignments will be designed at improving your writing and presentation of quantitative and analytical ideas. The feedback that you will receive should be incorporated into future assignments.

Online quizzes to be completed in CANVAS, will be due Sunday evening by 11PM following the completion of the topic. For example, if a topic is completed on Thursday, the quiz for that material is due the following Sunday by 11PM. The professor will remind students about quizzes in class, however the completion of the quizzes is the responsibility of the student. For more composite assignments, students will be given at least 1 week notice before such assignments are due.

**PAPERS WRITING ASSIGNMENTS:** As a core curriculum course, FINA250 is writing-infused and will require three writing assignments which will involve collecting and analyzing data, interpreting and expressing the results both mathematically and in lay or non-technical terms. The result will be graded both for sound analytical reasoning and accuracy, model assumptions, logical conclusions, and writing style. Students are strongly encouraged to utilize the services provided by the Writing Center (more information below). Students are required to complete three writing assignments targeted toward helping the student communicating (in writing) quantitative and financial material, both in technical and non-technical terms. The first assignment will represent 4% out of the total 15% with the opportunity for student to resubmit assignment based on instructor feedback. The second writing assignment will represent 5% out of the total 15% with the opportunity to resubmit based on instructor comments and finally the last writing assignment will account for the remaining 6% out of total 15% and will be due the last week of class. A primary objective of these papers (writing assignments) is to help the student tie together the over-arching themes of the course, the most prevalent being time value of money. Students are expected to improve their writing skills over the span of the course.

Writing assignments are intended not only to assist the student with technical writing related to quantitative reasoning but also targeted toward everyday economic and financial situations everyone will eventually encounter (e.g., renting/buying a home, insurance, retirement, etc.). Examples of the type of writing assignments include, but are not limited to the following;

- Time value of money – this critically important topic will be covered throughout the course and an example of a writing assignment might entail, explaining to a roommate

the importance of starting to save sooner rather than later, choice of career based desired lifestyle or when one wishes to retire. Such an example might involve calculations concerning present value, future value, annuity payments and interest rate yields. This will involve various assumptions and will require students to make an argument in defense of their assumptions as well as their calculations.

- Determining whether to buy or lease an automobile and/or to lease or buy a home is another example that all must address. Students might be asked to research the various scenarios (interest rates, credit scores, or other life factors) that should drive the economic decision-making process. For example, what would be the most prudent financial decision in terms of housing, if one is planning on climbing the corporate ladder and relocating every few years for career opportunities. Students will need to provide their quantitative results, assumptions and economic justifications of such decisions.
- Qualifying for a mortgage based on income, credit scores and other debts – students will need to utilize multiple financial models including the calculation of present value, future value, annuity payments in conjunction with the utilization of appropriate lending ratios which will have been covered in the class.

## Tentative Course Schedule

Module	Personal Finance	Approximate week of coverage
1	Financial planning, choice of career and earning potential (Ch1)	Week 1
2	The impact of taxes on income/tax planning (Ch2) – understanding taxes and how to effectively manage one’s tax obligations	Week 2
3	Time Value of Money (CH3) – including present value, future value and annuity payments	Week 2
	<b>Exam 1</b>	Week 3
	Writing assignment (project 1 due) This assignment will center around time value of money and will involve mathematical formulas, use of financial calculator and excel spreadsheet for calculating present value, future value, annuity payments, interest yields among others.	Week 4
4	Financial statements and budgeting (Ch4)	Week 4
5	Financial institutions and cash management (Ch5) – roles of financial institutions in the borrowing/lending process.	Week 4
6	Consumer Loans (Ch7) -introduction of various types of consumer loans	Week 5

7	Understanding credit (Ch6) – includes discussion of the importance of protecting one’s credit and the importance/impact of credit scores on borrowing	Week 5
8	Buying a home or automobile (Ch8) – multiple exercises involving annuity payments under various scenarios	Week 6/7
	Writing assignment (project 2 due) This assignment will involve qualifying for a mortgage loan, determination of terms of loan, constructing an amortization schedule and understanding total costs (will involve calculating annuity payment, future value and present value)	Week 7
9	Insurance (Ch9/10) – discussion of the importance of protecting one’s assets	Week 8
	<b>Exam 2</b>	Week 9
10	Saving/Investing (Ch11/12) - will serve to remind students the important of starting to save early and the power of compound interest.	Week 10/11
11	Stocks (Ch13) – will include introduction of regression as well as using time value of money, McLaurin series for use in stock valuations	Week 12
12	Bonds (Ch14/15) – will continue to utilize time value of money concepts in bond and mutual fund valuations.	Week 13
13	Retirement and estate planning (Ch16/17) – This last week will revisit many of previous covered topics in addressing the importance of retirement and estate planning.	Week 14
	Writing assignment (final project due) This assignment will involve investments and retirement including calculating portfolio values involving stocks, bonds, real estate and other assets.	Week 14
	<b>Exam 3</b>	TBA

\* Schedule subject to change.

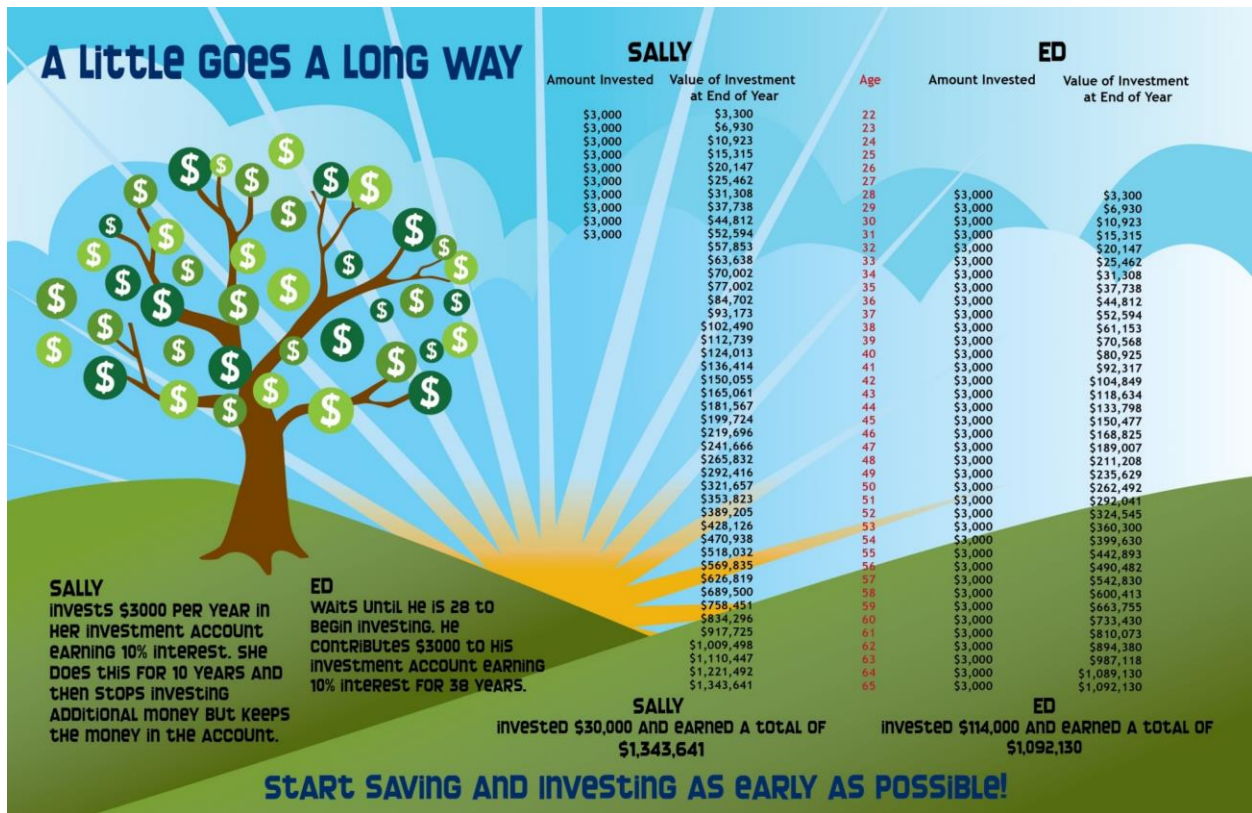
## MORE ABOUT THE IMPORTANCE OF COURSE (A TIME VALUE OF MONEY EXAMPLE)

An imperative example of the importance of time value of money is illustrated in example below. It depicts two individuals with differing investment horizons; Sally started investing/saving \$3,000/year at age 22 and continued to do so over the next 10 years and did NOT invest any further. Ed did NOT start investing/saving until age 28 and continued to investment until retirement at age 65.

Sally invested a total of \$30,000 over 10 years and amassed a portfolio value of \$1,343,641 by age 65. This is in comparison to Ed, who invested a total of \$114,000 over 38 years and amassed a

considerably small portfolio value of \$1,092,130 by age 65. This example exemplifies the concept of time value of money beautifully as well as the importance of starting to invest early in life and most importantly to power of compounding (earning interest on interest).

The above results for Sally and Ed can and will be illustrated using mathematical formulas, an excel spreadsheet and a financial calculator. Each of these alternatives will be covered in the course. From the above example, students should be able to competently discuss, both in writing and conversation, the reasons as to the importance of starting to invest sooner rather than later as well as the concepts of time value of money, rates of return, risk and compound interest.



## COURSE OBJECTIVES

The primary purpose of this course is to provide a practical, broad-based exposure to the issues that individuals should consider in planning their personal finances.

**Upon successful completion, students should be able to:**

1. Do calculations involving simple math such as decimals and percentages quickly and accurately.

2. Set up and solve word problems involving percent, interest, installment payments, credit card payments, depreciation, insurance, stocks, and bonds.
3. Use formulas and technology (financial calculators and spreadsheets) to calculate compound interest, present value, annuities, and periodic payments.
4. Apply basic statistical concepts.
5. Calculate the annual percentage rate and effective rate.
6. Examine the process of obtaining credit, understanding a credit report and credit score, and repairing damaged credit.
7. Understand the process of filing an income tax return.
8. Financially (mathematically) justify the rent versus buy decision process.
9. Establish financial and economic goals and objectives over the course of one's life.
10. Effectively plan for retirement

## CORE CURRICULUM OBJECTIVES

### As part of the Core Curriculum, students in this course will

1. Engage in creative inquiry and cultivate curiosity.
2. Develop foundational knowledge (disciplinary content) and skills in the discipline (e.g., how to communicate, study, read, etc.)
3. Create and deliver writing appropriate to audience, purpose and context.

Given that this is a quantitative reasoning course in the core curriculum, assignments in this course will be designed to prepare students to engage in the process of quantitative reasoning. More specifically, by the conclusion of the course, students will have repeatedly investigated matters related to personal finance by

1. Formulating questions/issues using appropriate mathematical, algorithmic, and/or statistical terms, explaining the decision process behind the choices made in that formulation.
2. Using mathematical, algorithmic, and/or statistical methods to gather and/or analyze data for solving problems. Justification of the methods chosen should be included.
3. Determining the reasonableness of an answer and/or evaluating the explanations of data for reasonableness. Students will understand the limitations behind the methods.
4. Interpreting the results of a mathematical, algorithmic, and/or statistical analysis presenting the interpretation in a context appropriate for a broader audience.

Throughout the course it will be stressed that while a student is engaged in applying the quantitative reasoning process outlined above as to matters of financial literacy,



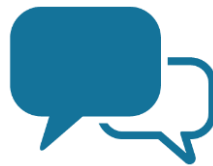
including applications in personal finance and economics, this process will be applicable to other issues or problems requiring quantitative reasoning.

## DEGREE OUTCOMES

In this course students will:



Gain Core Business  
Knowledge



Communicate  
Effectively



Exercise Sound  
Ethical  
Reasoning



Analyze and  
Interpret Data

## OVERVIEW OF COURSE FORMAT

**A suggested approach for this class is as follows;**

1. Students should attend all classes and be prepared to participate and ask relevant questions.
2. Students should review all lecture material provided. The power points on which the lecture is based will be provided so student can follow along and take notes. Slides will also be made available that accompany textbook.
3. The student should read the associated chapter in the textbook paying very close attention to the material that was focused on in the lecture.
4. Students should review and complete end of chapter problems in preparing for the graded quizzes and exam.
5. Students should take practice quizzes and carefully review any material which posed difficulty.
6. If there are questions that continues to pose difficulty, please contact the professor for assistance.
7. Students should take graded quiz. If there still exists uncertainties in the covered material, the student should review material and/or contact professor with questions.
8. Please keep in mind that correct mathematical answers as well as interpretation and application of the answers are equally as important.
9. Lectures slides, textbook PowerPoints and recorded lectures and other tutorials can be found at [www.drbennewaller.com](http://www.drbennewaller.com)

## STUDENT EVALUATION

Students will be evaluated on their performance on quizzes, examinations and project.

### Grading scale:

Numerical Grade	Letter Grade
90 and above	A
80-90	B
70-80	C
60-70	D
Below 60	F

Papers/projects	15%
Quizzes	10%
Exams (3)	75%

## COURSE POLICIES

**Communication Policy:** You will be required to check your Longwood University email on a daily basis. Please use my Longwood email [wallerbd@longwood.edu](mailto:wallerbd@longwood.edu) for all electronic communications. Emails will be sent to the class periodically with additional course information and announcements. I will respond to emails within 24 hours (excluding weekends and holidays).

**Code of Conduct:** It is important to recognize that the online classroom is in fact a classroom, and certain behaviors are expected when you communicate with both your peers and your instructors. These guidelines for online behavior and interaction are known as netiquette. In general, when communicating online “think before you write.” Treat instructors and students with respect, use clear and concise language, use correct spelling and grammar, and avoid slang and texting abbreviations. Keep your discussion board posts on topic, be respectful of others’ opinions, and when you disagree with someone express your differing opinion in a respectful, non-critical way. Be professional in your online communications. Finally, do not share your password with anyone, change your password if you think someone else might know it, and always logout when you are finished using the system.

**Honor Code:** Cheating in any form will not be tolerated in any form in the College of Business and Economics. If the instructor determines that a student has cheated on an assignment, the grade of “F” may be assigned for the entire course. “Cheating” is the use of unauthorized resources and/or the work of another including, but not limited to, homework, tests, papers, presentations, and exams. Unless specifically instructed otherwise, students are to assume that all coursework is to be the work of the individual student alone. If a student is unsure as to whether collaboration is permitted, the student should contact the professor in advance of performing the work.



**Attendance Policy:** You are expected to attend all classes, which means arriving on time and being prepared for class. Class attendance is not a substitute for reading the text. The college attendance policy provides the following penalties. The final grade may be lowered by one letter grade if more than 10% of classes are missed with absences in excess of 25% resulting in an automatic F.

**Make-up POLICY:** There will be no make-ups allowed for any missed work.

**Inclement Weather Policy:** Please see [www.longwood.edu](http://www.longwood.edu) for the latest announcements regarding whether classes and the university will be open or not due to bad weather.

## ADDITIONAL RESOURCES

**Disability Accommodation:** A student who feels that s/he may require accommodations because of a learning disability should discuss this with the instructor in private and contact *The Office of Disability Resources* (<http://www.longwood.edu/disability/>).

**Religious Accommodation:** If an academic requirement conflicts with a student's religious practices and/or observances, the student may request reasonable accommodations. The request must be in writing, and the instructor or supervisor will review the request. The student and the instructor may also seek assistance from the Dean of Students (<http://www.longwood.edu/dos/> )

**Writing Center:** All assignments (written or oral) in this course must adhere to the guidelines and standards for professional business and economics communication. For help with these guidelines, please refer to the resources available on the College of Business & Economics Student Guide for Oral and Written Communication which you can access at: <http://libguides.longwood.edu/CoBEComm>.

If a student wants help with writing, The Writing Center is very helpful. (<http://www.longwood.edu/academicsuccess/15878.htm>).

**Technology Help:** If a student has technical issues (hardware/software/passwords) and needs assistance, please contact the Longwood Help Desk at 434-395-HELP (4357) or toll-free at 877-267-7883 or via email at [helpdesk@longwood.edu](mailto:helpdesk@longwood.edu). The Help Desk is open:

- Monday – Thursday: 7:45 am – 7:00 pm
- Friday: 7:45 am – 5:00 pm

Please note the Help Desk is NOT staffed when the University is officially closed.

Please visit their webpage (<http://www.longwood.edu/usersupport>) for additional information.

If you experience problems using Canvas, you may contact the Digital Education Collaborative (DEC). Check their webpage for hours and contact information -- <http://www.longwood.edu/dec/49339.htm>.

## OTHER CLASS POLICIES AND INFORMATION

1. Technology often has a way of going wrong -- just at the wrong moment! Please plan ahead and don't leave assignments for the last minute. Remember there are not extensions or make-ups permitted. The [Online@Longwood technical support web page](#) includes some good information regarding having a back-up plan.
2. All writing assignments must be typed and submitted via the professor's Longwood email. No handwritten work will be accepted.
3. Let the instructor know as soon as possible if you have problems with material or assignments.
4. This is a very analytical course with a significant amount of mathematics. You should expect to spend on average at least 3 hours on each course modules, clarifying your understanding, reading outside material, doing homework, etc.
5. Minimize your concern for grades and maximize your concern for learning. The latter takes care of the former.