

EL CAMINO COLLEGE

COURSE OUTLINE OF RECORD - Approved

Course Acronym: BUS
Course Number: 117
Descriptive Title: Personal Finance
Division: Business
Department: Business Management
Course Disciplines: Business, Management, Accounting

Catalog Description:

In this course, students will learn how to develop personal financial goals and how to use financial planning to help achieve life goals. Students will learn budgeting, planning for the financial future, and how to incorporate investment choices such as stocks, real estate, bonds, and mutual funds. Students will examine how personal financial management impacts individuals and families and how to calculate the financial impacts of their decisions.

Conditions of Enrollment:

Prerequisite: Mathematics 40 or qualification by appropriate assessment.

Recommended Preparation: English 1 or eligibility for English 1A or qualification by appropriate assessment

Course Length: Full Term

Hours Lecture (per week): 3
Hours Laboratory (per week): 0
Outside Study Hours: 6
Total Hours: 54

Course Units: 3

Grading Method: Letter Grade and Pass/No Pass
Credit Status: Credit, degree applicable

Transfer CSU: Yes Effective Date: 12/02/2003
Transfer UC: Yes Effective Date:

General Education:

ECC

Area 2C - Social and Behavioral Science

Term: Other:

CSU GE:

Area B4 - Physical Universe and its Life Forms: Mathematics/Quantitative Reasoning, Area E - Lifelong Understanding and Self-Development

Term: Other:

IGETC:

Term: Other:

II. Outcomes and Objectives

A. Student Learning Outcomes (SLOs) (The course student learning outcomes are listed below.)

SLO #1 Develop Financial Goals Students learn how to develop short and long-term goals and create a budget to achieve life goals.

SLO #2 Develop Financial Plans Students learn how to develop financial plans that assist in building financial security at retirement and other major life stages; understand investment options; and how to analyze and choose appropriate investments including stocks, bonds, and real estate.

SLO #3 Financial Impacts on Life Students learn the basic concepts of financial management, examine how personal financial decisions integrate with social and economic influences and calculate the financial impacts of money management decisions.

B. Course Objectives (The major learning objective for in this course are listed below)

1. Discuss the use of money as a tool for achieving personal financial goals.
2. Apply financial tools to better one's overall financial position and prepare for the future.
3. Explain the purpose and use of credit reports and how to improve a credit score.
4. Identify loan and insurance options, analyze the relative benefits of the options, and choose the best option available based on financial goals.
5. Calculate Taxable income and the amount owed for the federal income tax.
6. Select appropriate tax strategies for various financial and personal situations.
7. Identify strategies for effective consumer buying and the process for making consumer purchases.
8. Explain asset allocation and how different investment alternates affect investment plans
9. Analyze projected retirement assets and liabilities and develop a balanced budget based on planned retirement income.

III. Outline of Subject Matter

(Topics should be detailed enough to enable an instructor to determine the major areas that should be covered to ensure consistency from instructor to instructor and semester to semester.)

Major Topics

I. The impact of financial decisions on individuals and family to achieve physiological and psychological well-being (6 hours, lecture)

1. Short-term and long-term financial and life goals
2. National economic factors
3. The Time Value of Money Formula
4. Present Value and Future Value calculations
5. Society and the economic impacts
6. Impacts of life stages and personal/moral values
7. Financial aspects of career planning
8. Career planning

II. Financial management as a tool to achieve long-term goals (9 hours, lecture)

1. Strategies to achieve life goals through financial management
2. Current income and expense analysis
3. Existing expenses and desired goals prioritization
4. Budget development based on life goals
5. Budget management with goal and life stage changes
6. Tax liabilities and impacts on financial planning

7. Tax changes for different life and family stages
8. Tax planning strategies and tax calculations

III. Personal finance tools and their impact on the individual, family, and society (9 hours, lecture)

1. Cash management strategies
2. Financial accounts and account usage
3. The credit report, credit score formula, and credit strategies
4. The credit score: impact on family, career, and well-being
5. Sources of credit and the cost of credit alternatives
6. The cost of poor use of credit to individuals, family and society
7. Personal financial management through marriage, parenthood, divorce, retirement, and death

IV. Making purchasing decisions (9 hours, lecture)

1. Consumer buying activities and impacts on society and the economy
2. Purchasing cars and other assets
3. Unit price calculations
4. Renting vs. buying a home: considerations and calculations
5. Home ownership
6. Total cost of ownership calculation
7. Researching and renting an apartment or house
8. Researching and buying a house or condo
9. Home buying and home selling processes
10. Home purchase financing options and calculations

V. Insurance (6 hours, lecture)

1. Insurance premium calculation and basic actuarial principles
2. Motor vehicle, renter's, home, and property insurance
3. Health insurance and impact on physical well-being
4. Private, personal, and government health insurance/care options
5. Life insurance
6. Importance for family well-being
7. Types and provisions of life insurance
8. Life insurance value/needs calculations

VI. Investing for retirement and other life goals. (9 hours, lecture)

1. Investing fundamentals
2. Asset allocation and investment alternatives
3. Stock analysis and investment
4. Mutual and index fund analysis and investment
5. Corporate and government bond analysis and investment
6. Real Estate and alternatives analysis and investment
7. Measures of dispersion and other risk calculations
8. Geometric mean, yield, and other measures of return

VII. End-of-life planning, Estates and Wills (6 hours, lecture)

1. End-of-life planning
2. Retirement planning calculations and end-of-life well-being
3. Wills, trusts, and other estate planning tools
4. End-of-life philanthropy and legacy
5. Estate tax liability calculations

Total Lecture Hours:	54
Total Laboratory Hours:	0
Total Hours:	54

IV. Primary Method of Evaluation and Sample Assignments

A. Primary Method of Evaluation (choose one):

- 1) Substantial writing assignments

B. Typical Assignment Using Primary Method of Evaluation

Typical Assignment Using Primary Method of Evaluation:

Using short and long-term goals, develop a budget that includes expected income and desired expenses. Using the expenses you tracked for the last 3 weeks, write a one-page paper analyzing how your actual expenses compare to the budget you developed. What surprised you about your expenses? Is there anything obvious you want to give up spending on in order to get one of your dreams?

C. College-level Critical Thinking Assignments

Critical Thinking Assignment 1:

Identify a city or neighborhood you would like to live in. Research the rental rates and purchase prices of housing in that area. (Choose housing that fits your current needs) Write a one-page analysis of your ability to live in that area including:

For the house you are interested in purchasing: what is the monthly mortgage cost of purchasing the house or condo and how does it compare to renting? (remember, any bank website has simple mortgage calculators)

What are the expected additional property taxes and other costs associated with owning this house.

For the apartment you would like to rent: what are the amenities of the rental property (or of the condo facility)?

How does the monthly cost of each compare to your current housing costs? Could you afford to live in that area?

Critical Thinking Assignment 2:

After analyzing your credit report, write a one page analysis of your credit. (Do not include your credit report, account information, or other personally identifiable information). Based on the information you analyzed:

What credit score repair strategies might be used to improve your score?

What major changes could you make to your lifestyle to improve your score?

How do your financial habits affect your ability to take on the challenges of purchasing a car, moving to a better apartment or purchasing a home, or starting a family?

How will your financial habits and credit score affect your ability to achieve your life goals? Do they support them or work against them?

D. Other Typical Assessment and Evaluation Methods

Completion, Homework Problems, Matching Items, Multiple Choice, Objective Exam, Quizzes, Term or Other Papers, True/False, Written Homework

V. Instructional Methods

Demonstration, Discussion, Lecture, Multimedia presentations

If other:

Note: In compliance with Board Policies 1600 and 3410, Title 5 California Code of Regulations, the Rehabilitation Act of 1973, and Sections 504 and 508 of the Americans with Disabilities Act, instruction delivery shall provide access, full inclusion, and effective communication for students with disabilities.

VI. Work Outside of Class

Answer questions, Problem solving activity, Required reading, Study, Written work (such as essay/composition/report/analysis/research)

If Other:

VII. Texts and Materials

A. Up-to-date Representative Textbooks: (Please use the following format: Author, Title, Edition, Publisher, Year. If you wish to list a text that is more than 5 years old, please annotate it as a “discipline standard”.)

Up-To-Date Representative Textbooks:

Kapoor, Dlabay, Hughes, and Hart. PERSONAL FINANCE. 13th ed. McGraw-Hill, 2019.

B. Alternative Textbooks: (Please use the following format: Author, Title, Edition, Publisher, Year. If you wish to list a text that is more than 5 years old, please annotate it as a “discipline standard”.)

C. Required Supplementary Readings

D. Other Required Materials

VIII. Conditions of Enrollment

A. Requisites (Course Prerequisites and Corequisites) Skills needed without which a student would be highly unlikely to succeed.

Requisite: Prerequisite

Category: standard

Requisite course(s): List both prerequisites and corequisites in this box.

Mathematics-40

Requisite and Matching skill(s): Bold the requisite skill. List the corresponding course objective under each skill(s).

Manipulate algebraic expressions, including expressions with fractions and radicals.

MATH 40 -Use the properties of the real numbers to evaluate, simplify, and factor algebraic expressions, including expressions with fractions and radicals.

Solve quadratic equations and systems of linear equations.

MATH 40 -Set up and solve application problems using linear equations and inequalities, systems of two linear equations with two variables, and quadratic equations.

B. Requisite Skills: (Non-Course Prerequisite and Corequisites) Skills needed without which a student would be highly unlikely to succeed.

Requisite:

Requisite and Matching Skill(s): Bold the requisite skill(s). If applicable

C. Recommended Preparations (Course) (Skills with which a student's ability to succeed will be strongly enhanced.)

Requisite course: ENGL 1

Requisite and Matching skill(s): Bold the requisite skill. List the corresponding course objective under each skill(s).

Students need well-developed reading skills in order to understand and interpret information in their textbooks and writing skills to develop essays and projects.

ENGL 1- Summarize, analyze, evaluate, and synthesize college-level texts.

ENGL 1 -Write a well-reasoned, well-supported expository essay that demonstrates application of the academic writing process.

D. Recommended Preparation (Non-Course) (Skills with which a student's ability to succeed will be strongly enhanced.)

Requisite: Eligibility for English 1A or qualification by appropriate assessment

Requisite and Matching skill(s): Bold the requisite skill. List the corresponding course objective under each skill(s). If applicable

This course involves reading college level textbooks, developing projects, and answering essay questions. A student's success in this class will be enhanced if they have these skills.

Summarize, analyze, evaluate, and synthesize college-level texts.

Write a well-reasoned, well-supported expository essay that demonstrates application of the academic writing process.

E. Enrollment Limitations

Enrollment Limitations and Category:

Enrollment Limitations Impact:

Course Created by: Phillip Knypstra on 01/01/1978

Original Board Approval Date:

Last Reviewed and/or Revised by: John Mufich

Date: 09/28/2019

Last Board Approval Date: