

Please note: This is a preliminary syllabus and is subject to change. It provides useful introductory detail and additional course insight as you prepare for the application process.

## FNCE 002: Essentials of Personal Finance

### Course Description & Objectives

This course introduces students to the key financial concepts through the lens of personal financial decisions, centering on financing one's education, culminating in a capstone project evaluating student loan offers.

### Course Overview

This course is divided into 7 weeks. Course content is delivered via video lectures, synchronous class sessions and online assignments, discussions and exercises.

### Course Materials

#### Required Books:

Bodie, Kane, and Marcus, *Essentials of Investments*, 11th Edition, McGraw Hill.

- Portions of this book will be assigned.
- We will assign chapters, homework, and problems linked to this material and you will be marked via the online portal.

Kapoor, Dlabay, Hughes and Hart, *Personal Finance*, 13<sup>th</sup> Edition, McGraw Hill.

- Portions of this book will be assigned.
- We will assign chapters, homework, and problems linked to this material and you will be marked via the online portal.

Olen & Pollack, 2017, *The Index Card: Why Personal Finance Doesn't Have to Be Complicated*, Penguin.

- Paperback book, will not be in Canvas.

### Course Content & Schedule

Classes 1 & 2	Intro/Overview of Financial & Economic Concepts <ul style="list-style-type: none"><li>- Basic mathematics of finance: interest and time value of money</li><li>- Intertemporal decisions: saving and borrowing</li></ul>
Classes 3 & 4	Overview of Life Cycle Economic Decision Making <ul style="list-style-type: none"><li>- Budgeting</li><li>- Constraints: income, wealth, cost of living, access to financial markets, taxes</li><li>- Asset classes</li><li>- Behavioral biases, misconceptions, and mistakes</li></ul>
Classes 5 & 6	Saving and Borrowing <ul style="list-style-type: none"><li>- Banking: savings accounts, CDs, etc.</li><li>- Consumer credit (credit cards, etc.)</li><li>- Credit scores</li><li>- Peer-to-peer lending and other emerging forms of credit</li></ul>

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Classes 7 & 8

Investing for the Future

- Decisions involving risk: insurance, diversification
- Investing in risky assets: stocks vs. bonds; mutual funds, ETFs, etc.
- Robo-advisors: promises and pitfalls
- "Alternative" investments: gold, crypto, and beyond...

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Class 9

Financing Investment in Education

- Human capital as an investment
- Financing education: 529's, student loans, other
- Workers are "human capitalists:" equity-linked compensation (e.g. stock options), partnership
- Diversifying/hedging the risk in human capital

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