

BAS 120 Personal Finance
BAS 120 SYLLABUS

COURSE DESCRIPTION

Provides information needed to make intelligent choices and to take effective action in the management of personal resources. Includes financial planning, buying, borrowing, saving, budgeting, investing, insurance, and taxes

Credit Hours: 3

Contact Hours: 45

Prerequisites/Co-requisites

None

Course Schedule/Calendar

This course is offered on a self-paced basis. Calendar start and finish dates are determined by the student's **Enrollment Notification**.

GENERAL EDUCATION COMPETENCIES

Students should prepare for twenty-first century challenges by gaining:

1. Knowledge of human cultures and the physical and natural worlds through study in the sciences and mathematics, social sciences, humanities, histories, languages, and the arts.

2. Intellectual and practical skills, including

- inquiry and analysis
- critical and creative thinking
- written and oral communication
- quantitative literacy
- information literacy
- teamwork and problem solving

3. Personal and social responsibility, including

- civic knowledge and engagement (local and global)
- intercultural knowledge and competence
- ethical reasoning and action
- foundations and skills for lifelong learning

4. Integrative and applied learning, including synthesis and advanced accomplishment across general and specialized skills.

COURSE INFORMATION

Learner Competencies and Outcomes

Module 1

Upon completion of Module 1 in BAS 120, the student will:

1. Formulate personal financial goals and objectives and establish a means of accomplishing them.

- a) Identify the benefits of using personal financial planning techniques to manage your finances.
- b) Describe the personal financial planning process and define your goals.
- c) Explain the life cycle of financial plans and their role in achieving your financial goals.
- d) Examine the economic environment's influence on personal financial planning.
- e) Evaluate the impact of age, education, and geographic location on personal income.
- f) Understand the importance of career choice.

2. Understand the use of personal financial statements, budgets, and other tools to evaluate financial health.

- a) Understand the interlocking network of financial plans and statements.
- b) Prepare a personal balance sheet.
- c) Generate a personal income and expense statement.
- d) Develop a good recordkeeping system and use ratios to interpret personal financial statements.
- e) Construct a cash budget and use it to monitor and control spending.
- f) Describe the use of time value of money concepts to put a monetary value on financial goals and the role of special planning concerns.

3. Understand basic tax concepts and effective tax minimization strategies.

- a) Discuss the basic principles of income taxes and determine your filing status.
- b) Describe the sources of gross income and adjustments to income, differentiate between standard and itemized deductions and exemptions, and calculate taxable income.
- c) Prepare a basic tax return using the appropriate tax forms and rate schedules.
- d) Explain who needs to pay estimated taxes, when to file or amend your return, and how to handle an audit.
- e) Know where to get help with your taxes and how software can streamline tax return preparation.
- f) Implement an effective tax-planning strategy.

Module 2

Upon completion of Module 2 in BAS 120, the student will:

1. Identify options available for managing cash and liquid assets.
 - 1.1 Understand the role of cash management in the personal financial planning process.
 - 1.2 Describe today's financial services marketplace, both depository and nondepository financial institutions.
 - 1.3 Select the checking, savings, electronic banking, and other bank services that meet your needs.
 - 1.4 Open and use a checking account.
 - 1.5 Calculate the interest earned on your money using compound interest and future value techniques.
 - 1.6 Develop a savings strategy that incorporates a variety of savings plans.

2. Evaluate sources of credit and formulate strategies for maintaining good credit.
 - 2.1 Describe the reasons for using consumer credit, and identify its benefits and problems.
 - 2.2 Develop a plan to establish a strong credit history.
 - 2.3 Distinguish among the different forms of open account credit.
 - 2.4 Apply for, obtain, and manage open forms of credit.
 - 2.5 Choose the right credit cards and recognize their advantages and disadvantages.
 - 2.6 Avoid credit problems protect yourself against credit card fraud, and understand the personal bankruptcy process.
 - 2.7 Know when to use consumer loans, and be able to differentiate between the major types.
 - 2.8 Identify the various sources of consumer loans.
 - 2.9 Choose the best loans by comparing finance charges, maturity, collateral, and other loan terms.
 - 2.10 Describe the features of, and calculate the finance charges on, single-payment loans.
 - 2.11 Evaluate the benefits of an installment loan.
 - 2.12 Determine the costs of installment loans, and analyze whether it is better to pay cash or take out a loan.

3. Develop strategies for making smart buying decisions with regard to housing, transportation, and consumer goods.
 - 3.1 Implement a plan to research and select a new or used automobile.
 - 3.2 Decide whether to buy or lease a car.
 - 3.3 Identify housing alternatives, assess the rental option, and perform a rent-or-buy analysis.
 - 3.4 Evaluate the benefits and costs of home ownership and estimate how much you can afford for a home.

- 3.5 Describe the home-buying process.
- 3.6 Choose mortgage financing that meets your needs.

Module 3

Upon completion of Module 3 in BAS 120, the student will:

1. Identify the advantages of establishing a source of funds to meet emergencies, enable investment and spending opportunities, and establish a retirement savings program.
 - 1.1 Discuss the role that investing plays in the personal financial planning process and identify several different investment objectives.
 - 1.2 Recognize the importance of retirement planning, and identify the three biggest pitfalls to good planning.
 - 1.3 Estimate your income needs in retirement and your retirement income.
 - 1.4 Explain the eligibility requirements and benefits of the Social Security program.
 - 1.5 Differentiate among the types of basic and supplemental employer-sponsored pension plans.
 - 1.6 Describe the various types of self-directed retirement plans.
 - 1.7 Choose the right type of annuity for your retirement plan.
2. Understand the basic financial markets and investment options.
 - 2.1 Distinguish between primary and secondary market, as well as broker and dealer markets.
 - 2.2 Explain the process of buying and selling securities and recognize the different types of orders.
 - 2.3 Develop an appreciation of how various forms of investment information can lead to better investing skills and returns.
 - 2.4 Gain a basic understanding of the growing impact of the computer and the Internet on the field of investments.
 - 2.5 Describe an investment portfolio and how you'd go about developing and managing a portfolio of securities.
 - 2.6 Describe the various types of risks to which investors are exposed, as well as the sources of return.
 - 2.7 Know how to search for an acceptable investment based on risk, return, and yield.
 - 2.8 Discuss the merits of investing in common stock and be able to distinguish among the different types of stocks.
 - 2.9 Become familiar with the various measures of performance and how to use them in putting a value on stocks.
 - 2.10 Describe the basic issue characteristics of bonds and note how these securities are used as investment vehicles.
 - 2.11 Distinguish between the different types of bonds, gain an understanding of how bond prices behave, and know how to compute different measures of yield.

- 2.12 Describe the basic features and operating characteristics of a mutual fund.
- 2.13 Differentiate between open- and closed-end funds, as well as exchange-traded funds, and discuss the various types of fund loads and charges.
- 2.14 Discuss the types of funds available to investors and the different types of investor services offered by mutual funds.
- 2.15 Gain an understanding of the variables that should be considered when selecting funds for investment purposes.
- 2.16 Identify the sources of return and calculate the rate of return earned on an investment in a mutual fund.
- 2.17 Understand the role that real estate plays in a diversified investment portfolio, along with the basics of investing in real estate, either directly or indirectly.

Module 4:

Upon completion of Module 4 in BAS 120, the student will:

1. Identify options for protecting assets through insurance, risk management, and estate planning.
 - 1.1 Explain the concept of risk and the basics of insurance underwriting.
 - 1.2 Discuss the primary reasons for life insurance and identify those who need coverage.
 - 1.3 Calculate how much life insurance you need.
 - 1.4 Differentiate among the various types of life insurance policies and describe their advantages and disadvantages.
 - 1.5 Choose the best life insurance policy for your needs at the lowest cost.
 - 1.6 Become familiar with the key features of life insurance policies.
 - 1.7 Discuss why having adequate health insurance is important and identify the factors contributing to the growing cost of health insurance.
 - 1.8 Differentiate among the major types of health insurance plans and identify major private and public health insurance providers and their programs.
 - 1.9 Analyze your own health insurance needs and explain how to shop for appropriate coverage.
 - 1.10 Explain the basic types of medical expenses covered and policy provisions of health insurance plans.
 - 1.11 Assess the need for and features of long-term care insurance.
 - 1.12 Discuss the features of disability income insurance and how to determine your need for it.
 - 1.13 Discuss the importance and basic principles of property insurance, including types of exposure, indemnity, and coinsurance.
 - 1.14 Identify the types of coverage provided by homeowner's insurance.
 - 1.15 Select the right homeowner's insurance policy for your needs.
 - 1.16 Analyze the coverage in a personal automobile policy (PAP) and choose the most cost-effective

coverage.

1.17 Describe other types of property and liability insurance.

1.18 Choose a property and liability insurance agent and company, and settle claims.

1.19 Describe the role of estate planning in personal financial planning and identify the seven steps involved in the process.

1.20 Recognize the importance of preparing a will and other documents to protect you and your estate.

1.21 Explain how trusts are used in estate planning.

1.22 Determine whether a gift will be taxable and use planned gifts to reduce estate taxes.

1.23 Calculate federal taxes due on an estate.

1.24 Use effective estate planning techniques to minimize estate taxes.

Course Outline

Module 1:

- I. Developing a Financial Plan
 - A. Reasons for Establishing a Plan
 - B. Define Financial Goals and Set Priorities
 - C. Career Planning
- II. Quantifying Your Financial Health
 - A. Using a Balance Sheet
 - B. Using an Income Statement
 - C. Developing a Budget and Implementing a Record Keeping System
- III. Understanding the Time Value of Money
 - A. Compounding and Future Value
 - B. Discounting and Present Value
- IV. Tax Planning
 - A. Overview of the Federal Income Tax System
 - B. Calculating Your Tax

C. Minimizing Tax Liability

Module 2:

- I. Cash and Liquid Asset Management
 - A. Financial Institutions and Accounts
 - B. Differentiating Among Cash Management Alternatives
- II. Using Credit Cards and Other Sources of Open Credit
 - A. The Pros and Cons of Credit Cards
 - B. Choosing a Source of Open Credit
 - C. Qualifying for Credit – The Five Cs
 - D. Protecting Your Credit
- III. Using Consumer Loans
 - A. Characteristics of Consumer Loans
 - B. The Loan Contract
 - C. Consumer Rights and Responsibilities
- IV. Buying Decisions
 - A. The Housing Decision – Renting v. Buying
 - B. Purchasing Transportation
 - C. Making Smart Consumer Purchases

Module 3:

- I. Investment Basics
 - A. Setting Priorities for Investments
 - B. Acquiring Funds for Investments
 - C. Risk-Return and Market Rates
- II. Securities Markets
 - A. How Stocks and Bonds are Traded
 - B. Sources of Investment Information
- III. Investment Choices and Asset Allocation
 - A. Stocks

- B. Bonds
 - C. Real Estate
 - D. Gold, Silver, Gems & Collectibles
 - E. Mutual Funds
- IV. Retirement Planning
- A. Sources of Retirement Income
 - B. Putting a Plan Together
 - C. Tax Issues Related to Retirement Savings

Module 4:

- I. Protecting Your Assets With Insurance
 - A. Life Insurance
 - B. Health and Disability Insurance
 - C. Property Insurance
 - D. Automobile Insurance
- II. Estate Planning
 - A. Wills
 - B. Trusts

Pre-Test:

A student who scores 80% or better on the Pre-Test in a module in the BAS 120 course will be allowed to choose if they wish to attempt the post-test in the module, through the Prior Learning Option, to evaluate mastery of the course material. A student who scores 90% or better on the post-test at this point, will be allowed to move to the next module in the course.

For those students not scoring 80% or better on the pre-test, they will continue through the module activities, assignments, and test, which are consistent in assisting the student in building and enhancing their knowledge to gain mastery of the subject matter.

Credit for Prior Learning:

KCTCS Online Learn-On-Demand open-entry courses are based on the goal that students will demonstrate

mastery of content. Through KCTCS Online Learn-On-Demand, students have the opportunity to receive credit for prior learning. To receive this credit, students must demonstrate mastery of the course competencies through the following steps:

- Take the pre-test in each of the modules in the course. The pre-test in each module in the course may be taken only once. If the score on the pre-test meets a level of pre-determined competency, the student will have the option to immediately take the post-test in each module.
- If the student demonstrates mastery of competencies on the post-test in a module, the student will proceed on to the next module. The final grade is based upon the actual score earned on the post-tests along with any other assignments affecting the final course grade.
- If the student does not demonstrate mastery of competencies on the post-tests, the student remains enrolled in the course until successfully completing all of the course requirements and the post-tests, or until the end date of the course - whichever comes first. Upon the end date of the course, the student will receive a final grade earned based on completed assignments and post-test scores.

Post-Test

Mastery level for post-tests in each of the modules in this course has been set at 90%. If the student scores below 90%, the student will be provided feedback to assist in further study before re-assessment. The student has three (3) attempts at the Post test in each module.

Grading Criteria:

Module 1

Points for Module 1 in BAS 120 will be based upon the following:

Unit Assignments

Module quizzes – 3 @ 20 points	60 points
Module questions - 3 total @ 6, 18, 16 points	40 points
Money in Action assignments – 3 @ 15	45 points
Build Your Own Budget - 1 @20 points	20 points
Discussion responses – 2 @ 10 points	20 points
Module post-test – 60 questions @ 2 points	<u>120 points</u>
Total	305 points

Module 2

Points for Module 2 will be based upon the following:

Unit Assignments

Module quizzes – 4 @ 20 points	80 points
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Module questions - 26 total @ 2 points	52 points
Money in Action assignments – 4 @ 15	60 points
Discussion responses – 2 @ 10 points	20 points
Module post-test – 80 questions @ 1.25 points	<u>100 points</u>
Total	312 points

Module 3

Points for this Module 3 will be based upon the following:

Unit Assignments

Module quizzes – 4 @ 20 points	80 points
Module questions - 30 total @ 2 points	60 points
Money in Action assignments – 4 @ 15	60 points
Discussion responses – 2 @ 10 points	20 points
Module post-test – 80 questions @ 1.25 points	<u>100 points</u>
Total	320 points

Module 4

Points for Module 4 will be based upon the following:

Unit Assignments

Module quizzes – 4 @ 15 points	60 points
Module questions - 20 total @ 2 points	40 points
Money in Action assignments – 1 @ 15 points	15 points
Discussion responses – 1 @ 10 points	10 points
Module post-test – 50 questions @ 2 points	<u>100 points</u>
Total	225 points

Grading Scale:

A	90% to 100%
B	80% TO 89%
C	70% TO 79%
D	60% TO 69%
E	Below 60%

POLICIES

Plagiarism Statement

Plagiarism and cheating are serious academic offenses. The KCTCS regulations pertaining to plagiarism and cheating can be found in Sections 2.3.1.1, 2.3.1.2, and 2.3.1.3 of the KCTCS Code of Student Conduct. Penalties for violation of these policies can be found in Section 2.3.2.1 and 2.3.2.2.

Disability Statement

The Kentucky Community and Technical College System would like to help students with disabilities achieve their highest potential in academic studies. In order to receive accommodations on assignments or examinations, proper documentation must first be provided to the Office of Disability Services at your home campus. You must then self-identify and conference with the Director of Disability Support Services or Manager of Disability Services to begin receiving accommodations in the course/module. For more information, contact the KCTCS Online Help Desk.

Help and Support

There are many resources available to support you as you work through this course.

Blackboard

The Blackboard Support Center can help provide support via Frequently Asked Questions, email, chat, and phone regarding Blackboard 24 hours a day, 7 days a week.

Help can be accessed by navigating to the top of your course webpage and selecting "Help" in blue. You can also access directly with this link: <http://bbcrm.edusupportcenter.com/ics/support/default.asp?deptID=8158>

Student Services

The KCTCS Online Student Services Help Desk provides Frequently Asked Questions, email, chat, and phone service 24 hours a day, 7 days a week. Student Services staff can help you with any questions you have about the application process, financial aid, registering for classes, tuition payments and other student services. You can access KCTCS Online Student Services here: http://kctcs-lod.edusupportcenter.com/sims/helpcenter/layoutOne/SelfHelpHome.seam?inst_name=kctcs_lod&cid=3765

Course-Specific Questions

If you have a specific question about the course or the content, please contact your instructor as soon as possible. Your instructor's contact information is under the "Meet Your Instructor" link on the course menu. Please allow 24-48 hours for your instructor to respond to your questions.

Starfish

Starfish is a student support tool that can help you succeed in your course. Your instructor can raise flags if there's a concern about your progress, give you kudos for good performance, or make to-do items for you that will help you succeed. You can also use Starfish to schedule appointments with your instructor or your Virtual Student Success Coach. Be sure to click on "Starfish" from the navigation menu in Blackboard to learn more and to create your student profile!

Textbook Information

Textbook or e-book:

Personal Financial Planning, 12e; Gitman, Southern-Wester Cengage Learning, 2011, ISBN: 978-1-4390-4447-6.