

**School for New Learning
DePaul University
Course Syllabus: FA 312 - Financial Literacy
Winter 2009**

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Location: South Campus

Dates/Time: Saturdays 9AM-12Noon
First Meeting, January 10, 2009

COURSE DESCRIPTION

Many of us struggle with the balancing of financial concepts with the day-to-day application to our lives. Many perceive financial and economic concepts as residing in a "black hole" that can only be mastered by accountants or mathematicians. As a result, instead of managing our financial lives, we allow them to manage us. The purpose of this class is to learn the language of business and the "grammar rules" required to apply this language to different scenarios and our own lives. We will discover who is the audience for financial information and develop the ability to see how financial activities affect and are relevant to this audience. This audience consists of investors, creditors, bankers, customers, employees and us. Our own ability to understand these concepts will be enhanced as we picture ourselves as users, preparers and interpreters of this financial information.

We will explore the topic of financial literacy both from the global and the personal perspective. Big corporations, small businesses and we, the individual have something in common. All must ask the question: How do we organize, communicate and analyze financial and economic information in a way that is meaningful to us and that will help us accomplish both short and long term goals. Simply having money does not guarantee it is well managed or that economic resources are being used effectively and appropriately utilized.

Financial literacy is fundamental to understanding the economy, business institutions and personal finances. Implicit to financial literacy is the communication and interpretation of financial information and the ability to establish guidelines to obtain future financial results. Developing financial objectives is a powerful tool for the achievement of financial objectives and goals. Businesses do it and in our personal lives, goal or objective setting will serve the same purpose. Another name for this goal setting is budgeting. Budgeting is the first step in financial planning. Planning is crucial to achieving a desired result. A contractor would never consider building a house without a blueprint, yet many of us approach the issues of our finances in an uncontrolled manner.

In this class, we will first establish a common framework and terminology for financial literacy and then explore questions such as "Why is financial planning important?"; "What are common budgeting systems and tools?"; "How can a budget or financial plan be used to help identify and achieve monetary goals?" "Why do such plans often fail?" By considering the economy, assessing our own individual financial situations, by applying financial concepts learned to real world situations, students should be able to apply skills learned within both a personal and global context.

FACULTY BIOGRAPHICAL SKETCH:

Bridgette Mahan is a visiting faculty member at SNL. She was formerly First Vice President, Manager, Corporate Staff Audit at First Chicago NBD Bank (Bank One). She has twenty years of internal and external accounting/auditing and management experience including consulting, project management, fraud investigation and systems software/audit training. Ms. Mahan has a MBA and is a Certified Public Accountant (CPA).

COMPETENCIES OFFERED:

FX Understand issues and theories of financial planning and can plan a budget for a specific purpose.

S1D Can design and plan an information technology solution for a problem.

H1X Understand issues related to the financial or economic world.

H2X Understands the development and functioning of financial institutions in our society.

LEARNING EXPERIENCE:

Through lectures, group discussions, presentations and written assignments, we will establish a financial communication framework, and examine the purpose of financial literacy and its ongoing value for financial planning, analysis and goal setting. You will be asked to: 1) read the assigned readings for each class and locate additional material on your own; 2) participate in group discussions; 3) design your own budget and financial analysis information; and 4) perform case analyses and submit a final written report.

REQUIRED READING:

Personal Financial Planning by Gitman, Lawrence J. and Joehnk, Michael D., 11th edition. ISBN 13: 978-0-324-42286-5

OPTIONAL TEXT:

Essentials of Accounting Review by Anthony, Robert N. and Breitner, Leslie K., 9th edition. ISBN: 0-13-149695-6

Basic Economics by Mastrianna, Frank V., 14 edition. ISBN: 0-324-40070-5

CLASS ATTENDANCE:

Attendance and participation are **essential**. Class participation involves attendance and contribution to class activities and discussions. This recognizes your commitment to and preparation for each session. The success of this course depends on your participation, which includes sharing your perspectives and experiences with the class. The more you participate, the more fun and valuable the course will be for all of us. Of course, being present physically and cognitively is basic to full participation. If a session is inexcusably missed, your final grade will be adversely affected. In the event of an absence, please notify the instructor and communicate with another member of your team before and after the class session and attend to your responsibilities accordingly. In addition, please consult Blackboard on a regular basis for handouts and additional assignments not included in our text materials.

OUTCOMES:

By the end of the course students will be able to:

1. Understand the roles of financial markets and governmental/regulatory oversight.
2. Differentiate between the four types of business organizations.
3. Understand the role and purpose of financial reporting in the United States economy.
4. Understand the use of accounting and financial information from both the business and personal perspective.
5. Understand and utilize key accounting and budgetary terminology.
6. Obtain an overview of the financial planning process.
7. Identify short and long term financial goals.
8. Develop personal/ professional financial statements, plans and budgets.
9. Understand and apply financial tools in the areas of financial reporting, planning, budgeting and goal setting.

EVIDENCE THE STUDENTS WILL SUBMIT:

You will demonstrate your competence through your class participation, individual presentations, case analyses and your final written assignment. You will demonstrate your achievement of your competence by writing a (10-12 page) paper. The students registered for one competence will write a (6 page) paper. The paper should address an element of financial literacy and demonstrate how this element is addressed or is impacted by the information we are exploring in this class.

You will also demonstrate your competence by doing a short case analysis related to the subject matter discussed in this class. Work performed should highlight the ramifications of financial literacy on a personal or global basis and focus on the decision making/planning elements of financial literacy. All presentations should also focus on the decisions made to cope with the opportunities and vulnerabilities resulting from these challenges.

WRITTEN ASSIGNMENTS

All written assignments should follow the accepted practices of standard English spelling, grammar and usage. All papers should have at least six cited references. All papers should contain a conclusion in which you offer your solutions or recommendations to the problems identified in the paper. All papers should be computer generated, double spaced, with one inch margins, 10 or 12 point typeface and pages should be numbered.

CRITERIA FOR ASSESSMENT:

At the end of the course, you will be asked to assess your own learning. The instructor will use your assessment in the overall assessment of your work and that of your class members. The criteria for assessing your reading include: How regularly and carefully did you complete the reading assignments? How well did your questions and comments in class or in your discussions show that you understood the reading materials?

The criteria for assessing your participation in class discussion include: Did you attend all sessions? How well did your questions and comments advance your own learning and support the learning of others in the class?

The criteria for assessing your contribution to your learning team include: How well did you support the learning of the other members of the class? How actively involved were you in your class and team discussions, and information gathering?

The criteria for assessing your written report/presentation include: How well does your written report/presentation show that you understand the issues of the course? To what extent are you able to integrate the relevant literature and references into your written report /presentation? To what extent are you able to apply the understanding and awareness you acquired to your own decision making process? To what extent did your research address the ideas posed in your thesis statement? Is a bibliography or reference page included in your report or presentation? How clearly and concisely are you able to express your ideas creatively and concisely in your writing/presentation?

GRADE DISTRIBUTION:

<u>Activity</u>	<u>Percent</u>
Attendance/Class Participation	20
Written Report	30
Team Participation	20
Individual Presentation/ Case Analyses	<u>30</u>
Total	100

CLASS SCHEDULE:

The following is a tentative schedule of the subjects to be covered each week of the term. The schedule is subject to revision based on the composition of the class, the evolution of ideas and perspectives in the class sessions.

Session 1

- Introductions
- Overview of course and Review of Syllabus
- Financial Literacy - Overview
- Financial Literacy terminology - Defined
- Class Discussion: How does the U.S. economy and its market system work?
- Selection of teams and discussion of first assignment.

Session 2

- Accounting and financial information and its impact on the dissemination of financial information.
- Team Discussion: Financial Statement Analysis
- Class Discussion: What's in a Plan? The Importance of Budgeting
Text: Foundations of Financial Planning, Part 1 p. 2-94.
- Class Discussion: Final Paper Topics

Session 3

- Team Discussion: Case Analysis, Lily's Green Thumb
- Class Discussion: The Answer is in the Details.
- Text: Managing Basic Assets, Part 2 p. 101-168.

Session 4

- Class Discussion: The Credit Question
- Text: Managing Credit, Part 3 p. 174-232.

Session 5

- Class Discussion: Insurance and Risk Analysis
- Text: Managing Insurance Needs, Part 4 p. 269-323.

Session 6

- Class Discussion: Investment Planning
- Text: Managing Investments, Part 5 p. 329-439.

Session 7

- Class Discussion: Retirement and Estate Planning
- Text: Part 6, p. 451-512.

Session 8

- **Assignment Due: Team Case Analysis Presentations**

Session 9

- **Selected Topics in Financial Literacy. (Determined by Class)**
- Complete work on Final Paper.

Session 10

- **Assignment Due: Final Paper**
- Class Review
- Class Evaluations completed.
- Individual student presentations and submission of final paper.