

**University of Waterloo**  
**Department of Economics**  
**MGMT 171: Fundamentals of Personal and Business Finance (Section 041)**  
**Spring 2021**  
**Remote Delivery**

**Instructor and T.A. Information**

Instructor: Predrag Rajsic

Office Hours: Mondays 1:00 to 2:30 PM EST or by appointment (through MS Teams – please see below under Remote Delivery Essentials)

Email: [prajsic@uwaterloo.ca](mailto:prajsic@uwaterloo.ca)

T.A. Information: TBA

**Remote Delivery Essentials**

- PowerPoint slides of each lecture will be uploaded on the UW LEARN website on Sundays, Tuesdays, and Thursdays
- Class Video Sessions:
  - Because many of you do not live in the same time zone as I do or may have other time constraints due to the remote nature of the course delivery, I will be refocusing teaching activities to recorded online video sessions.

There will be a video session/meeting slot scheduled during selected days in the MS Teams video conferencing tool. The purpose of the video sessions is to provide a more direct learning experience where I could clarify concepts from the PowerPoint slides, answer student questions, discuss course materials and course organization, discuss midterms, assignments, quizzes, or other course-related issues. The sessions will be recorded and available for viewing shortly afterwards. The purpose of recording MS Teams sessions is to accommodate the asynchronous course delivery format for students in different time zones or with other availability constraints.

- Class Video-Session Times:
  - Mondays, Wednesdays, Fridays: 10:00 – 10:50 AM EST
- Office Hours
  - Office hours will be done through MS Teams on an individual basis and will not be recorded for obvious privacy reasons.

You can access the MS Team MGMT 171 S2021 using your University of Waterloo login credentials here: <https://www.microsoft.com/en-ca/microsoft-365/microsoft-teams/group-chat-software>

MS Teams is also available for download as a Windows, Apple or Android app.

### **Notes on contacting instructor**

If a student is not able to meet during office hours, I am open to arranging a mutually convenient appointment via email.

When sending email to your instructor, always use your University of Waterloo email account. “**MGMT 171**” must appear in the subject line and the message must include your full name and student ID number.

Where to find this course outline:

This course outline is available at two locations for the duration of the term:

- Department of Economics website  
<https://uwaterloo.ca/economics/undergraduate/courses/outlines-0>
- LEARN web site (requires UW user id and password) <http://learn.uwaterloo.ca>

### **Course Description**

The course focuses on budgeting, saving and investment decisions of individuals and small businesses. It describes the fundamental financial tools, major players, and types of financial instruments in financial markets, and it offers the general framework for personal financial planning. The goal is to develop a basic understanding of personal financial planning and investment strategies. The course will focus on the practical questions like these: Can I budget my money better? How do student loans work? Should you buy or rent a house? Should you buy or lease a car? What is the difference between investing in mutual funds vs. individual stocks and bonds? How do I secure a safe retirement? How do I insure my assets, income, health? Students will learn how to properly compare financial costs and benefits for the future and how to use simple money management apps to make better financial decisions in the Canadian context.

### **Course Goals and Learning Outcomes**

The objectives of this course are for students to:

- understand the need for individuals to make financial decisions and work towards overcoming the universal problem of scarcity;
- appreciate the relevance of finance in a changing world;
- develop the capacity to apply critical thinking to finance issues.
- develop skills needed for outlining a personal financial plan.

Upon completion of this course, students should be able to:

- understand the purpose and structure of financial plan
- develop basic budgeting skills
- apply time value concepts
- understand the functioning of banking services and how they can be used to manage money

- understand the he basics of assessing, managing, and securing credit
- describe the financial aspects of purchasing and financing a home
- make an informed choice of auto and homeowner’s insurance
- understand the basic principles of investing in stocks, bonds, and mutual funds
- develop a basic retirement plan

### **Textbook**

- Jeff Madura & Hardeep Singh Gill. Personal Finance, Fourth Canadian Edition Plus MyLab Finance with Pearson eText -- Access Card Package, 4/e
- The textbook is available from the UW BookStore.
- The use of MyEconLab tests is optional. You may use them as a practice tool, but they will not be used for grading purposes.

Examinations in this course are based on the material contained in the assigned textbook readings and presented as lecture content (which are strong complements, not substitutes).

### **Notes from the BookStore**

- The UW BookStore has the following editions of the same textbook package (buy only one):
  1. Hard cover and MyLab Finance with Pearson eText  
9780134852010  
\$189.99
  2. MyLab Finance with Pearson eText -- Standalone Access Card -- for Personal Finance, Fourth Canadian Edition  
9780134779829  
\$95.00

### **Pearson 24/7 Support Link:**

<https://support.pearson.com/getsupport/s/contactsupport>

### **Readings Available on LEARN**

I will be posting the course lecture slides on LEARN before each class. The course lectures will closely follow the course textbook in terms of content and progression. It is your responsibility to keep yourself current with the assigned textbook readings as well as maintaining an understanding of the lecture content.

- Any additional course materials (news, updates, announcements) will be posted on the LEARN web site <http://learn.uwaterloo.ca>
- Online Review Quizzes (see below under *Review Quizzes*)
- The LEARN site is down occasionally. Save the course materials to your computer as soon as they are posted. Always be prepared!

- Students writing deferred tests and exams are responsible to save course materials on LEARN before the access to their courses is shut off (normally on the first day of classes of the next term).

## Course Requirements and Assessment

The course grade will be based on review quizzes, two assignments, two midterm exams, and a final paper (financial plan). The midterms will be completed online through the LEARN system on the dates specified below. There will be a 24-hour window during which each of the midterms will be available for completion. The midterm duration will be 60 minutes from the moment you start the midterm in LEARN. The midterm with the better mark will be worth 25% of your final grade, while the second-best midterm will be worth 20% of your final grade. <sup>1</sup> The grade breakdown is as follows:

Assessment	Date of Evaluation (if known)	Weighting
Review Quizzes	TBA	5%
Midterm 1	Wednesday, June 23	20% or 25%
Midterm 2	Wednesday, July 21	20% or 25%
Assignment 1	Friday, June 18	12.5%
Assignment 2	Friday, July 16	12.5%
Final Paper: Financial Plan	August 5	25
Total		100%

## Review Quizzes

- The purpose of the review quizzes is to help students identify and understand key concepts covered in the lectures and in the textbook.
- The format of the quizzes will mainly be multiple-choice questions, but there may also be some true-false questions, or short answer questions.
- The quizzes will be done online through the LEARN system.
- There will be a limited, but a reasonably long, time window set up in LEARN during which each quiz will be available for completion. There are two attempts for each quiz available and the better attempt counts.
- Quizzes that are not submitted on time will automatically receive a grade of zero.

## Assignments

The primary purposes of the two assignments are to give students an opportunity to: (1) practice the tools presented in lectures, and (2) to demonstrate the degree of mastery over those concepts. Assignments will consist of a mix of words-answer, essay-style questions, and numerical problems. For

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<sup>1</sup> Please note that the Learn website does not have an option to adjust weights to each student individually. I will set constant weights for each student of 20% for the first midterm and 25% for the second midterm in Learn, but I will be adjusting those weights individually in my Excel sheet when calculating final grades at the end of the semester.

the numerical problems, all students will get a set of common problems, but each student will be given a unique set of numerical values so that everyone’s numerical solutions are slightly different than others’.

### **Final Paper: Financial Plan**

The purpose of the final paper is to give students an opportunity to put together different aspects of the course into a coherent whole. Students will use various tools learned in the course to develop a financial plan for a hypothetical person or a family. Students will be free to choose the demographic and particulars of this individual’s life circumstances, constraints, goals etc. The financial plan will be graded based on its realism, complexity, appropriateness of the application of course concepts, and the usual criteria for writing quality (grammar, style, ease of reading, clarity of exposition etc.). More detailed final paper guidelines will be provided in MS Teams video sessions and will be posted in Learn.

### **Midterms**

The format for the midterms will be a mix multiple-choice questions, short answer questions, and long answer questions.

- The midterm tests will be written online through the Learn website. The details of the format and testing procedure will be posted and discussed in midterm review MS Teams sessions.
- Midterm marks will be posted on LEARN.

### **Missing a Midterm Due to Illness During the Term**

- Missing a midterm will automatically result in a grade of zero for that midterm. If the illness can be documented<sup>2</sup>, with approval, you may transfer the weight of the missed midterm to the final exam. This remedy is a privilege and not a right.

### **Course Outline**

This class schedule is ambitious. Modifications and/or eliminations of certain content might be required given our limited time together. Any necessary modifications or eliminations to the course content will be communicated to you in MS Teams sessions.

<b>Week</b>	<b>Date</b>	<b>Theme and Topic</b>	<b>Readings Due</b>
1	May 10, 12, 14	Course Orientation and Organization Overview of a Financial Plan	Chapter 1
2	May 17, 19, 21	Applying Time Value Concepts	Chapter 2
3	May 26, 28	Planning with Personal Financial Statements	Chapter 3
4	May 28, June 2, 4	Banking Services and Managing Your Money	Chapter 5
5	June 7, 9, 11	Assessing, Managing, and Securing Your Credit	Chapter 6
6	June 14, 16, 18	Purchasing and Financing a Home	Chapter 7

<sup>2</sup> Students are permitted to self-declare illness due to COVID-19 but will require a virtual Verification of Illness Form if they missed an exam due to mental health or non-covid-19 related illness.

Week	Date	Theme and Topic	Readings Due
7	June 21, 23, 25	Midterm 1 Review <b>Midterm 1 (June 23)</b> Auto and Homeowner's Insurance	Chapter 8
9 <sup>3</sup>	June 28, 30	Auto and Homeowner's Insurance Health and Life Insurance	Chapter 8 Chapter 9
10	July 5, 7, 9	Health and Life Insurance Investing Fundamentals	Chapter 9 Chapter 10
11	July 12, 15, 17	Investing Fundamentals	Chapter 10
12	July 19, 21, 23	Midterm 2 Review <b>Midterm 2 (July 21)</b> Retirement Planning	Chapter 14
13	July 26, 28, 30	Retirement Planning Integrating the Components of a Financial Plan	Chapter 14 Chapter 16
14	August 3 <sup>4</sup> , 5 <sup>5</sup>	Integrating the Components of a Financial Plan Final Exam Review	Chapter 16

### Tentative Schedule of Review Quizzes

- Quiz 1: Released May 17, due May 26. Coverage: Ch 1, 2
- Quiz 2: Released May 26, due June 7. Coverage: Ch 3, 5
- Quiz 3: Released June 7 due June 21. Coverage: Ch 6, 7
- Quiz 4: Released June 28, due July 12. Coverage: Ch 8, 9
- Quiz 5: Released July 12, due July 19. Coverage: Ch 10
- Quiz 6: Released July 19, due August 5. Coverage: Ch 14
- Any changes to this schedule and any other relevant information will be announced in MS Teams sessions.

### Late Work

*See above under Review Quizzes, Midterms, Missing a Midterm Due to Illness During the Term, and Submission of Exam Papers.*

### Economics Department Deferred Final Exam Policy

Deferred Final Exam Policy found at <https://uwaterloo.ca/economics/current-undergraduates/policies-and-resources/deferred-final-exam-policy>.

### Mental Health Support

All of us need a support system. The faculty and staff in Arts encourage students to seek out mental health supports if they are needed.

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<sup>3</sup> July 2 - All classes cancelled and offices closed.

<sup>4</sup> The loss of a Monday class on May 24 will be made up by following a Monday schedule on August 3.

<sup>5</sup> The loss of a Friday class on July 2 will be made up by following a Friday schedule on August 5.

### **On Campus**

- Counselling Services: [counselling.services@uwaterloo.ca](mailto:counselling.services@uwaterloo.ca) / 519-888-4567 xt 32655
- [MATES](#): one-to-one peer support program offered by Federation of Students (FEDS) and Counselling Services
- Health Services Emergency service: located across the creek from Student Life Centre

### **Off campus, 24/7**

- [Good2Talk](#): Free confidential help line for post-secondary students. Phone: 1-866-925-5454
- Grand River Hospital: Emergency care for mental health crisis. Phone: 519-749-433 ext. 6880
- [Here 24/7](#): Mental Health and Crisis Service Team. Phone: 1-844-437-3247
- [OK2BME](#): set of support services for lesbian, gay, bisexual, transgender or questioning teens in Waterloo. Phone: 519-884-0000 extension 213

## **Institutional-required statements for undergraduate course outlines approved by Senate Undergraduate Council, April 14, 2009**

### **Academic Integrity**

In order to maintain a culture of academic integrity, members of the University of Waterloo community are expected to promote honesty, trust, fairness, respect and responsibility. See the [UWaterloo Academic Integrity webpage](#) and the [Arts Academic Integrity webpage](#) for more information.

### **Discipline**

A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to [Policy 71 - Student Discipline](#). For typical penalties check [Guidelines for the Assessment of Penalties \(https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/guidelines/guidelines-assessment-penalties\)](https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/guidelines/guidelines-assessment-penalties).

### **Grievance**

A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read [Policy 70 - Student Petitions and Grievances](#), Section 4 (<https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-70>). When in doubt, please be certain to contact the department’s administrative assistant who will provide further assistance.

### **Appeals**

A decision made or penalty imposed under Policy 70, Student Petitions and Grievances (other than a petition) or Policy 71, Student Discipline may be appealed if there is a ground. A student who believes

he/she has a ground for an appeal should refer to [Policy 72, Student Appeals](https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-72) (<https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-72>).

### **Note for Students with Disabilities**

The [AccessAbility Services](#) office, located on the first floor of the Needles Hall extension (NH 1401), collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the AS office at the beginning of each academic term.

### **If Using Turnitin in your Course**

**Turnitin.com:** Text matching software (Turnitin®) will be used to screen assignments in this course. This is being done to verify that use of all material and sources in assignments is documented. Students will be given an option if they do not want to have their assignment screened by Turnitin®. In the first week of the term, details will be provided about arrangements and alternatives for the use of Turnitin® in this course.

*Note: students must be given a reasonable option if they do not want to have their assignment screened by Turnitin®. See [guidelines for instructors](#) for more information.*

### **Faculty of Arts-required statements for undergraduate course outlines**

#### **Cross-listed Course (if applicable)**

Please note that a cross-listed course will count in all respective averages no matter under which rubric it has been taken. For example, a PHIL/PSCI cross-list will count in a Philosophy major average, even if the course was taken under the Political Science rubric.