

CS 275 Consumer Finance
Professor J. Michael Collins
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LEC 1 9:55-10:45 MWF
212 ANIMAL SCI

OFFICE HOURS : 394 SoHE Building
Tue. 1:30 - 3:00 Also by appointment.

TEACHING ASSISTANT: Ting Yan, tyan3@wisc.edu, 363 SoHE Building, 262.1810
Thur. 10:30 - 12:30 Also by appointment.

TEXT : *Personal Finance*, 4 edition by Arthur J. Keown
and Student Workbook (ISBN: 9780132213899)

COURSE WEBSITE: <http://learnuw.wisc.edu>

CALCULATOR : A Financial Calculator is required for this course. Suggested models
include HP-12C (high end), HP-10BII, TI-BAII Plus (high end) or TI-
BAII

EXCEL: Familiarity with Microsoft Excel is required for this course. Please take
at least Excel 1 from DoIT (this 2 hour session is offered 3-4 times the
first 2 weeks of the semester). See
<http://www.doit.wisc.edu/training/student>

COURSE OBJECTIVE:

The principal objective of this course is to introduce you to **personal finance**. Topics covered
include budgeting, credit, investing, insurance, taxes, retirement and estate planning, mortgages
and an introduction to behavioral finance. You will become more competent and confident in
your ability to make and advise financial decisions.

COURSE REQUIREMENTS AND GRADING :

The Exam schedule is as follows:

Preliminary Exam#1 (15 Points): **Friday, Mar 6** in class.
Preliminary Exam#2 (15 points): **Friday, April 17** in class.
Comprehensive Exam (25 Points). **Monday May 11: 12:25 pm Room TBA**

Exams #1 and #2 cover material introduced up to the class before the exam (Exam #2 covers only
material after Exam #1). Exam #3 is a comprehensive final, but with an emphasis on the topics
covered after Exam #2.

Personal finance involves both the acquisition of knowledge and practice building skills. An
important part of this class are 5 problem sets. These assignments (which in total are worth the
same toward your grade as the final exam) are due in class and will be graded out of 5 points
each.

Another 5 points is based on class participation. To receive full credit you are required to be in class, and to participate in the discussions. You are also required to complete readings before class. This course covers a wide range of material and we can only review a portion in class. Be sure to carefully review the reading assignments and ask questions in class or attend office hours for further clarification of the topics. Reading assignments will be made in class and on the course website. In order to encourage preparation for class, up to 5 points will be based on short pop quizzes administered during the first 10 minutes of class.

The field of personal finance includes a wide range of ‘experts’ who have published books which are advertised as helping consumers make better personal financial choices. You are required to read one of these books and write a 2-page book review (1200 words maximum). You should read the book and reflect on what we have learned in class to evaluate the quality of the advice provided. More details on this assignment will be provided later in the semester. You will be required to select a book after Spring Break. The review is due the last day of class.

Lastly, all students will be strongly encouraged to participate in a consumer behavior experiment. The experiment will take no more than an hour or so to complete, and we will offer flexible lab times in order to accommodate everyone’s schedule. You will receive up to 5 points for completing one or more experiments. More details on the experiments will be provided at a later date. If you do not wish to participate in the experiment, an alternative writing assignment can be created for up to 5 points.

Assignment	Points
Prelim 1	15
Prelim 2	15
Final Exam (comp)	25
PS1	5
PS2	5
PS3	5
PS4	5
PS5	5
Class Participation	5
In Class Quiz(s)	5
Book review	10
Total	100

The total number of points possible is 100 (plus up to 5 extra credits for participating in an experiment). Each student will be assigned a letter grade as follows:

93 and above = A	87 - 92.99 = AB	83 – 86.99 = B
77 – 82.99 = BC	70 – 76.99 = C	60 – 69.99 = D
below 60 = F		

In compliance with the Americans with Disabilities Act, the University of Wisconsin-Madison will make every effort to honor requests for reasonable accommodations made by individuals with disabilities. Requests can be responded to more effectively if received by the institution as far in advance of the class as possible, preferably at least a week. Direct accommodation requests to by email at jmcollins@wisc.edu or phone at 608.262.0369.

Class Schedule:**Topic****Readings**

Introduction

Chapter 1, pps. 16-23

Budgeting

Chapter 2

Problem Set #1

Net Worth

Chapter 2

Time Value of Money

Chapter 3

Problem Set #2

Financial Services

Chapter 5

Credit

Chapters 6 & 7

Expected Value

TBD

Problem Set #3

Insurance

Chapter 9 & 10

Investments

Chapter 11

Equities

Chapter 12 & 13

Bonds

Chapter 14

Problem Set #4

Mutual Funds

Chapter 15

Taxes

Chapter 4

Problem Set #5

Retirement Planning

Chapter 16

Estate Planning

Chapter 17

Behavioral Finance

TBD

Small Business Finance

TBD

Financial Planning

Chapter 18