GENERAL FACULTY MEETING
AUGUST 27, 1998
3:30 - 4:30 P.M. ** 101BUS BUILDING
AGENDA
(PLEASE NOTE THE MEETING PLACE IS IN 101 BUS NOT 102 BUS)

1. Minutes of the April 28, 1998 General Faculty Meeting (attachment 1)

2. Introduction of New Faculty Members by Academic Unit Head

3. Graduate Enrollment Update - Andy McCollough

4. Peer Group Update - John Kraft

5. Campaign Update (attachment 2) - Randy Talbot

6. Undergraduate Committee Proposed Curriculum Changes (attachment 3)
   The Undergraduate Committee has approved the following course change and they have requested that it be presented for approval.

   **Change credits**
   GEB 4956
   Credits: Change credits from 1-4 to 1-6

   **Informational Item**
   The FIRE department is changing the Preprofessional GPA requirement from 2.75 to 3.0.

7. Dean's Report

8. Other Business
1. Minutes of the April 28, 1998 Graduate Faculty Meeting (attachment 1)

2. Graduate Committee (attachment 4)
The Graduate Committee has approved the following new courses and they have requested that these be presented for approval.

   **New Courses**

   **ECO 7272**
   - Title: Economic Growth I
   - Credits: Variable (1 to 2)
   - Description: Introduction and overview of theoretical and empirical developments in the determinants of long-run standards of living.
   - Prereq: ECO 7115, ECO 7415
   - Coreq: ECO 7406

   **ECO 7273**
   - Title: Economic Growth II
   - Credits: Variable (1 to 2)
   - Description: Extensions of the theory and empirical analysis of economic growth with an emphasis on the micro foundations of growth
   - Prereq: ECO 7272

   **FIN 5244**
   - Title: Debt & Money Markets
   - Credits: 4
   - Description: Financial markets; institutions and instruments associated with debt funds; the determinants of the general level and structure of interest rates.

   **FIN 5504**
   - Title: Equity and Capital Markets
   - Credits: 4
   - Description: Financial markets; institutions and instruments associated with equity funds; the mechanics and mathematics of stock prices; security analysis and factors influencing stock values.

3. MBA Committee (attachment 5)
The MBA Committee has approved the following new course and they have requested that it be presented for approval.

   **New Courses**

   **FIN 5108**
   - Title: Personal Financial Management
   - Credits: 2
   - Description: Development of personal financial strategies needed to accumulate and retain wealth. Life style investing. Study of financial products, markets and institutions used for retirement planning.

4. Other Business
GENERAL FACULTY MEETING
AUGUST 27, 1998
3:30 - 4:30 P.M. ** 101BUS BUILDING
AGENDA
(PLEASE NOTE THE MEETING PLACE IS IN 101 BUS NOT 102-BUS)

1. Minutes of the April 28, 1998 General Faculty Meeting (attachment 1)

2. Introduction of New Faculty Members by Academic Unit Head

3. Graduate Enrollment Update - Andy McCollough

4. Peer Group Update - John Kraft

5. Campaign Update (attachment 2) - Randy Talbot

6. Undergraduate Committee Proposed Curriculum Changes (attachment 3)
The Undergraduate Committee has approved the following course change and they have requested that it be presented for approval.

Change credits
GEB 4956
Credits: Change credits from 1-4 to 1-6

Informational Item
The FIRE department is changing the Preprofessional GPA requirement from 2.75 to 3.0.

Dean's Report

8. Other Business
GENERAL FACULTY MEETING  
APRIL 28, 1998  
BUS 102 ** 1:00 P.M.  
AGENDA

1. Minutes of February 24, 1998 (attachment 1)

2. Proposed Curriculum Changes (support materials available for review in Dean's office)

Undergraduate Committee:
The Undergraduate Committee has asked that the following curriculum changes be presented at the next Faculty Meeting for approval.

Change to Major Requirements:
Change requirements for an undergraduate major in marketing from four courses to three courses, dropping the requirement for students to take an elective in addition to Consumer Behavior (MAR 3503), Marketing Research (MAR 4613) and Marketing Management (MAR 4806).

Change Preprofessional:
Change Preprofessional GPA requirement for DIS Majors from 2.5 to 3.0

Change Credit:
ECO 4970 Title: Honors Thesis Credits: Currently – 1-3 Change to – 1-4

Change Prerequisite:
ISM 4421 Title: Knowledge-Based Systems in Business Prerequisites: Currently – ISM 3011 Change to – NONE
ISM 4220 Title: Introduction to Business Data Communications
Prerequisites: Currently – ISM 3011 and one of the following courses on procedural languages; CIS 3020, CGS 3403, CGS 2420, CGS 3460, or CGS 3462 Change to – One of the following courses on procedural
CIS 3020, CGS 3403, CGS 2420, CGS 3460, or CGS 3462

REE 4103 Title: Real Estate Valuation
Pre/Corequisites: Currently–Prereq: FIN 3408 with a grade of C or higher — Change to – Corequisite: REE3043

Change Description:
ECO 4905 Title: Individual Work
Description: For advanced students who need to supplement regular course work by individual studies under guidance. Economic majors may not use this course to fulfill requirements for the major.

New Course:
ECO 4730 Title: The Firm in the Global Economy
Credits: 4
Description: Integrated approach to the international operations and environment of the firm. The richness and diversity of the global business environment affect virtually all functional operations of firms. An overview of the patterns of international corporate strategies; international taxation and government policies affecting the firm in the global economy; exchange risk; working capital management; and foreign investment analysis.
Prereqs: ECO 3703, ECO 3704, and FIN 3408

3. Dean's Report
4. Other Business
MINUTES/GENERAL FACULTY MEETING
TUESDAY, APRIL 28, 1998 BUS 102 @ 1:00 PM

1. Minutes approved of 02/24/98 meeting.

2. Drs. Weitz, West, Brown, and Erenguc discussed curriculum changes. See attached agenda.

   Mar 3503, MAR 4613, MAR 4806
   ECO 4970
   ISM 4421, ISM 4220
   REE 4103
   ECO 4905, ECO 4730

   All changes were approved by majority vote.

3. Motion made and seconded to adjourn. Passed

GRADUATE FACULTY MEETING
04/28/98 BUS 102

1. Minutes approved of 02/24/98 meeting.

2. Drs. Weitz and Brown discussed curriculum changes proposed by Graduate Committee. See attached agenda.

   MAR 7670, MAR 7626
   REE 6092, REE 6206, REE 6208, REE 6705, REE 6707

   All changes were approved by majority vote.
University of Florida Campaign
It's Performance That Counts
Commitments as of June 30, 1998

<table>
<thead>
<tr>
<th>Unit</th>
<th>Goal</th>
<th>Recorded to Date</th>
<th>Percent of Goal</th>
<th>Recorded Since Last Report</th>
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<td>Dentistry</td>
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<td>Florida Museum of Natural History</td>
<td>6,768,500</td>
<td>3,877,784</td>
<td>57.3%</td>
<td>25,929</td>
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<td>Harn Art Museum</td>
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<td>4,115,485</td>
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<td>Health &amp; Human Performance</td>
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<td>1,162,602</td>
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<td>Health Center &amp; Shands</td>
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<td>I.F.A.S.</td>
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<tr>
<td>Veterinary Medicine</td>
<td>14,900,000</td>
<td>7,055,040</td>
<td>47.3%</td>
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$500,000,000   $377,651,025   75.5%   $10,883,022

* Includes $21,088,449 in Gator Boosters ticket related money, Latin American Studies, UF Unrestricted and other miscellaneous.

Run Date: 07/08/98
## Proposals Likely to Close in FY99

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<th>Description</th>
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<td>Fisher School Building Naming Gift</td>
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<tr>
<td>Financial Services Program/MBA Scholars</td>
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<tr>
<td>Masters Degree Program in Finance</td>
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<tr>
<td>Naming Center for Retail Education &amp; Research</td>
<td>$1,750,000</td>
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<td>Public Policy Research Center Endowment</td>
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<td>Ethics Term Program Fund</td>
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<td><strong>Total</strong></td>
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**Part I: To Be Completed By the Institution or School District**

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<th>District Code:</th>
<th>Institutional Code:</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Florida</td>
<td>00</td>
<td>001535</td>
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</tbody>
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**Terminate Current Course:**

Effective term (month/year): [Insert]

**Current SCNS Course Identification:**

- **Discipline (SMA):** [Insert]
- **Prefix:** GEB
- **Level:** 4
- **Course Number:** 4956
- **Lab Code:** [Insert]
- **Contact Hour Base:** [Insert] or **Head Count:** [X]

**Institution's Course Title:** International Studies in Business

**Change Course As Indicated Below:**

<table>
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<tr>
<th>Item to Change</th>
<th>Change From</th>
<th>Change To</th>
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<tbody>
<tr>
<td>Reclassify: Pref., No., Lab Code</td>
<td>(See above)</td>
<td>(See above)</td>
</tr>
<tr>
<td>Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of Credit</td>
<td>1-4 credits</td>
<td>1-6 credits</td>
</tr>
<tr>
<td>Contact Hour Base or Head Count</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prerequisites/Corequisites</td>
<td></td>
<td></td>
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</tbody>
</table>

**Change Course Title:**

**Change Course Description (Course syllabus must be attached):**

**Intended Students (Mark all that apply):**
- [ ] Undergraduate Nonmajors
- [ ] Graduate Students
- [ ] Other (specify): [Insert]
- [ ] Undergraduate Majors
- [ ] Honors Students
- [ ] Advanced Undergraduate

**Category of Instruction:**
- [ ] Introductory
- [ ] Intermediate
- [ ] Advanced

**Effective Term (month/year):** [Insert]

**Department Contact and Telephone Number:**

**Signature, Department Chair:**

(Date) [Insert]

**Signature, Graduate Dean (if applicable):**

(Date) [Insert]

**Signature, Institutional Contact:**

(Date) [Insert]

---

**Part II: Faculty Discipline Committee Representative Use Only**

**Approved Course Classification (Prefix, Number, Lab Code):**

**If not the same as recommended by institution, please explain:**

**SCNS Course Title (if new):** [Insert]

**Decade Title (if new):** [Insert]

**Century Title (if new):** [Insert]

**Signature, Faculty Discipline Committee Representative**

(Date) [Insert]

**Part III: SCNS Staff Use Only**

**Signature**

(Date Entered) [Insert]

Correspondence Number [Insert]
**Part I: To Be Completed By the Institution or School District**

<table>
<thead>
<tr>
<th>Institution/District:</th>
<th>University of Florida</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Code:</td>
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<tr>
<td>Institutional Code:</td>
<td>001535</td>
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<tr>
<td>Instruction Unit or Department:</td>
<td>Economics - Contract</td>
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**Add Course As Indicated Below:**

Recommended SCNS Course Identification:

- **Discipline (SMA):** ECO
- **Prefix:** ECO
- **Level:** 7
- **Course Number:** 272
- **Lab Code:**
- **Contact Hour Base:** X

**Institution's Course Title:** Economic Growth I

**Amount of Credit:** Variable, 1 or 2

If Repeatable Credit or Variable Credit:

- total repeatable credit allowed
- minimum / maximum credit within a semester

**Instructor:** Elias Dinopoulos

**Course Description:**
The course provides an introduction and overview of theoretical and empirical developments in the determinants of long-run standards of living.

**Prerequisites:**
- ECO 7115 & ECO 74/15

**Corequisites:**
- ECO 7406

**Intended Students (Mark all that apply):**
- Undergraduate Nonmajors
- Undergraduate Majors
- Advanced Undergraduates

**Category of Instruction:**
- Introductory
- Intermediate
- Advanced Ph.D.

**List the department chair (by name & department) with whom you have cleared any question of possible duplication or infringement by this course. Each such chair must either sign the syllabus requested, indicate no concern over possible infringement, or make comments. Any lack of comments or signatures must be indicated.**

**Effective Term (first term/year course will be offered):**
- Fall 1999

**Department Contact and Telephone Number:**
- Carol T. West (392-0151)

**Signature, Department Chair:**
- Carol West

**Signature, College Dean:**
- [Signature]

**Signature, Graduate Dean (if applicable):**
- [Signature]

**Part II: Faculty Discipline Committee Representative Use Only**

**Approved Course Classification (Prefix, Number, Lab Code):**

If not the same as recommended by institution, please explain:

- SCNS Course Title (if new):
- Decade Title (if new):
- Century Title (if new):

**Signature, Faculty Discipline Committee Representative:**
- [Signature]

**Date**

**Part III: SCNS Staff Use Only**

**Signature**

**Date Entered**

**Correspondence Number**

Rev. 10/97

Aghion and Howitt, Chapter 1, “Toward Endogenous Growth”.

2. Human-capital and Economic Growth.


3. Early Schumpeterian Growth Models


Aghion and Howitt, Chapter 2, “The Schumpeterian Approach”.


4. Scale Effects and Schumpeterian Growth.


### Part I: To Be Completed By the Institution or School District

<table>
<thead>
<tr>
<th>Institution/District:</th>
<th>University of Florida</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Code:</td>
<td>00</td>
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<tr>
<td>Institutional Code:</td>
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<tr>
<td>Instructional Unit or Department:</td>
<td>Economics</td>
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</table>

**Add Course As Indicated Below:**

**Recommended SCNS Course Identification:**
- **Discipline (SMA):**
- **Prefix:** ECO
- **Level:** 7
- **Course Number:** 273
- **Lab Code:**
- **Contact Hour Base:** x
- **or Head Count:**

**Institution’s Course Title:** Economic Growth II

**Amount of Credit:**
- **Variable:** 1 or 2
- **If Repeatable Credit or Variable Credit:**
  - total repeatable credit allowed
  - minimum / maximum credit within a semester

**Instructor:** James D. Adams

**Course Description (Course syllabus, grading criteria, and reading list must be attached):**
The course covers extensions of the theory and empirical analysis of economic growth with an emphasis on the micro foundations of growth.

**Prerequisites:** ECO 7272

**Corequisites:**

**Intended Students (Mark all that apply):**
- Undergraduate Nonmajors
- Undergraduate Majors
- Advanced Undergraduates
- Graduate Students
- Honors Students
- Other (specify):

**Category of Instruction:**
- Introductory
- Intermediate
- Advanced
- Ph.D.

**List the department chair (by name & department) with whom you have cleared any question of possible duplication or infringement by this course. Each such chair must either sign the syllabus requested, indicate no concern over possible infringement, or make comments. Any lack of comments or signatures must be indicated.**

**Effective Term (first term/year course will be offered):**
- **Fall 1999**

**Department Contact and Telephone Number:**
- Carol T. West (392-0151)

**Signature, Department Chair:**
- [Signature]
- [Date]

**Signature, College Dean:**
- [Signature]
- [Date]

**Signature, Graduate Dean (if applicable):**
- [Signature]
- [Date]

**Signature, Institutional Contact:**
- [Signature]
- [Date]

### Part II: Faculty Discipline Committee Representative Use Only

**Approved Course Classification (Prefix, Number, Lab Code):**

If not the same as recommended by institution, please explain:

**SCNS Course Title (if new):**

**Decade Title (if new):**

**Century Title (if new):**

**Signature, Faculty Discipline Committee Representative:**
- [Signature]

**Date:**

### Part III: SCNS Staff Use Only

**Signature:**

**Date Entered:**

**Correspondence Number:**

---

*Rev. 10/92*


2. Fertility and Economic Growth.


Aghion and Howitt, Chapter 7, “Market Structure,” Chapters 13 and 14, “Organizing R&D”.

Florida Department of Education
Statewide Course Numbering System
New Course Transmittal Form
(see instructions on reverse side)

Part I: To Be Completed By the Institution or School District

Institution/District: University of Florida
District Code: 00
Institutional Code: 001535
Instructional Unit or Department: Finance, Insurance & Real Estate

Add Course As Indicated Below:

Recommended SCNS Course Identification:
Discipline (SMA) FIN Prefix Level Course Number Lab Code Contact Hour Base Head Count

Institution’s Course Title: Debt and Money Markets

Amount of Credit: 04
If Repeatable Credit or Variable Credit: total repeatable credit allowed
Instructor: minimum / maximum credit within a semester

Course Description (Course syllabus, grading criteria, and reading list must be attached):
Financial markets; institutions and instruments associated with debt funds; the determinants of the general level and structure of interest rates.

Prerequisites:

Corequisites:

Intended Students (Mark all that apply.):

- Undergraduate Nonmajors
- Undergraduate Majors
- Graduate Students
- Honors Students
- Other (specify):

Category of Instruction: Introductory Intermediate Advanced

List the department chair (by name & department) with whom you have cleared any question of possible duplication or infringement by this course. Each such chair must either sign the syllabus requested, indicate no concern over possible infringement, or make comments. Any lack of comments or signatures must be indicated.

Effective Term (first term/year course will be offered): Spring 1999
Department Contact and Telephone Number:
Priscilla Kenney 2-0153

Signature, Department Chair: ____________________________ (Date) 2-13-94
Signature, College Dean: ____________________________ (Date)

Signature, Graduate Dean (if applicable): ____________________________ (Date)
Signature, Institutional Contact: ____________________________ (Date)

Part II: Faculty Discipline Committee Representative Use Only

Approved Course Classification (Prefix, Number, Lab Code):
If not the same as recommended by institution, please explain:

SCNS Course Title (if new):
Decade Title (if new):
Century Title (if new):

Signature, Faculty Discipline Committee Representative: ____________________________ Date:

Part III: SCNS Staff Use Only

Signature: ____________________________ Date Entered: ____________ Correspondence Number: ____________
Detailed Course Outline

Part 1: Introduction to Debt and Money Markets

Lecture 1
Overview of Financial Assets and Capital Markets
- Financial Assets
- Capital Markets
  * Debt versus Equity Markets
  * Debt versus Money Markets
  * Purpose of Capital Markets

Livingston: Chapter 1
Instruments of the Money Markets: Chapter 1

Lecture 2
Taxonomy of Debt and Money Market Instruments (overview of security types)
- Some Distinguishable Features
  * Issuer
  * Maturity
  * Riskiness
  * Marketability
  * Taxation
  * Options

Livingston: Chapter 5 (skip pg. 98), Chapter 11 (pgs. 253-264)
Instruments of the Money Markets: Chapters 2, 4, 5, 6, 7, 8, 9, 10, 11 (these readings are optional)

Security Market Microstructure
- Primary Market versus Secondary Market
  * Primary Market Debt Issuing Procedures
  * Secondary Market Structure

Livingston: Chapter 6 (particular emphasis on pgs. 119-131), Chapter 5 (pgs. 99-101)
Instruments of the Money Markets: Chapter 7

Part 2: Interest Rates

Lectures 3-4
Interest Rate Concepts
- Time Value
  * Future Value
  * Present Value
- Yields
- Interest Rates versus Returns

Livingston: Chapter 10, 11 (pgs. 264-273)
Part 4: Managing Bond Risk

Lectures 9-13
Determinants of Bond Risk
- Reinvestment Rate Risk
- Price Risk
- Default Risk
- Call Risk
- Inflation and Yields
- Taxes and Yields

Reinvestment Rate Risk and Price Risk
- Interest Rate Risk
- Duration
- Convexity
- Immunization
- Interest Rate Futures, Options and Swaps
- Other Specialized Financial Instruments (financial engineering)

Livingston: Chapters 13, 17, 18, 23 (pgs. 602-606), 19 (options will be covered thoroughly in Part 5)
Instruments of the Money Markets: Chapters 13, 14 (options will be covered thoroughly in Part 5)

Lecture 14
Default Risk
- Financial Distress
- Ratings
- Risk Structure of Interest Rates
  * Yield Spreads and Default Premia
  * Junk Bonds

Livingston: Review Chapter 21

Lecture 15
Call Risk
- Introduction to Bonds with Embedded Options (covered in Part 5)
  * Characteristics and Purpose of Callable Bonds

Livingston: Chapter 20 (Callable Bonds will be covered thoroughly in Part 5)

Inflation
- Inflation and Yields

Livingston: Review Chapter 2 (pgs. 27-32)

Taxes
- Tax Treatment of Bonds
- Taxes and Yields

Livingston: Chapter 22
- Arbitrage Conditions
  • Covered Interest Parity
  • Purchasing Power Parity
- Other Models of Exchange Rate Determination

Livingston: Chapter 15

Lectures 24-25

Hedging Exchange Rate Risk
- Currency Forward Contracts
- Currency Futures Contracts
- Currency Option Contracts
- Currency Swaps

Livingston: Review Chapters on Futures (17, 18 pg. 468), Options (19), Swaps (23 pgs. 602-606)

Political Risk
- Expropriation

Part 7: Stockholder versus Bondholder Conflicts

Lectures 26-28

Agency Theory
Default Risk
Information Asymmetries
Post-Contractual Opportunism and Bond Covenants

Livingston: Review Chapter 21

Final Exam
University of Florida
Warrington College of Business Administration

FIN 5504
Equity and Capital Markets

Instructor: Jason Karceski
Office: 308 Business Admin.
Office hours: 4 - 5:30 on T, R
Final exam time: See last syllabus page
Home page: http://bear.cba.ufl.edu/karceski/fin5504k
Email: karcseji@dale.cba.ufl.edu

Office telephone: 846-1059
Fax: 392-0301
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Course Overview and Objectives

FIN 5504 provides an in-depth discussion of fundamental principles related to equity securities and options for both institutional and individual investors. Objectives of this class include understanding

(a) how security markets function,
(b) what influences a stock's rate of return, and
(c) how to develop investment strategies.

Though we consider the viewpoint of corporate investment professionals and institutional equity money managers at times, the primary focus in this course centers on personal financial decisions related to picking stocks and/or equity mutual funds. With the general trend towards defined contribution pension plans in the U.S., most of us will be forced to choose from an array of investments including stocks, bonds, money market funds, and mutual funds. One ancillary goal of this course is that you be able to understand and critically evaluate investment advice from brokers and the financial press.

Course Prerequisites

Prior to taking this course, you must be familiar with (a) the structure of basic financial statements, (b) basic statistics such as mean, variance, standard deviation, correlation, and covariance, (c) MS Excel (or equivalent) since there will be some spreadsheet work, and (d) how to access web pages.

Required Textbooks and Materials

The required text for this class is:

You are also required to purchase a FIN 5504 course packet from Target Copy. The packet includes the following items:

(a) Class notes
(b) Solutions to old homeworks, quizzes, projects and exams
(c) Articles from the financial press

Press Clippings

During most classes, I will ask you to read an article during the break. We will usually discuss these right after the break, and I encourage you to pay attention to these digressions. When you read these articles, try to apply some of the concepts that we cover in class to these real-world situations.

Financial Calculator

You need a calculator of some sort, preferably a financial one.

The Wall Street Journal

I strongly urge you to read The Wall Street Journal (at least the articles on the front page of Section C: Money and Investing, and the "Fund Track" column which is usually on the second to last page in Section C). There are usually only 4 or 5 articles per day, and you should focus on those relating to stocks and investment advice in general. There will be at least one question on each exam relating to a recent WSJ article.
borrowed) will not earn (or be charged) any interest. All cash dividends should be automatically added to your cash account, not reinvested in stocks. You are permitted to purchase stocks on margin. The initial margin is 0.90 (this means that the maximum initial value of the stocks in your portfolio is $111,111.11), and the maintenance margin is 0.70 (only checked on the rebalance date—Oct. 30).

Each student is responsible for maintaining the current value of his or her portfolio (no teams are allowed). You may find the 'portfolio manager' function at investor.msn.com helpful in keeping track of your holdings. The prices at which stocks can be initially bought or sold are the closing prices on Sept. 4 as reported in The Wall Street Journal on the next business day.

How will this project be graded? You will get an A for the investment game (the 1% listed under Grading) if you correctly compute and turn in your initial investment selection, portfolio updates, and portfolio rebalance forms by their respective due dates, shown below.

1. Initial portfolio holdings (using closing prices on 9/4) due by beginning of class on 9/8
2. Updated portfolio value (using closing prices on 9/17) due by 9:30 AM on 9/21
3. Updated portfolio value (using closing prices on 10/29) due by 9:30 AM on 11/2
4. Portfolio purchases and sales with accompanying updated portfolio holdings (using closing prices on 10/30) due by 9:30 AM on 11/2
5. Updated portfolio value (using closing prices on 12/3) due by 9:30 AM on 12/7

I don't think this bookkeeping will take much effort. Students who don't turn in all updates will get a zero for this grade component and forfeit their chance to earn bonus points on all exams. The penalty for making a significant error in these updates will be a $15,000 fine of "play" money.

Speaking of which, students can earn bonus points towards both midterms and the final by posting superior portfolio performance. Total returns will be computed over three overlapping periods: (1) from the close on 9/4 to the close on 9/17, (2) from the close on 9/4 to the close on 10/29, (3) and from the close on 9/4 to the close on 12/3. The top nine students with the highest portfolio returns over each period will receive 2 points added to their score on Midterm #1, Midterm #2, and the Final Exam, respectively. In addition, I will be playing the game, and all students with higher portfolio values than mine at the end of each period will receive 2 points added to their exam scores.

Since this is the first year I've done this, I reserve the right to change the rules if the need arises, but I will give everybody equal notification of any rule changes. Feel free to suggest any rule changes you think are appropriate.

Core Concepts
As we move through the material in class, I will point out what I consider to be the core concepts of FIN 5504. We will keep a running list of these on the FIN 5504 home page. These are some of the essential (but not the only) things you should know after taking this class. After we cover any given core concept in class, you will be responsible for it from that point forward (on any exams, quizzes, etc.). Please pay close attention to the core concepts and review them periodically—I'll be hitting them hard throughout class discussions and exams.

FIN 5504 WWW Home Page
Please make sure that you can access the class home page on a regular basis (if you can't, please see me). The home page will include the following features at appropriate times:

(a) class announcements
(b) syllabus and schedule (updated/changed as required),
(c) students' current grade look-up,
(d) homework assignments,
(e) solutions to graded homework problems,
(f) material that will be covered on quizzes,
(g) core concepts, and
(h) useful finance links.

Contacting the Professor
Please feel free to come by during my office hours. Outside of office hours, you must call or send an e-mail to me a few days beforehand to set up an appointment to see me. You can also call me at home for emergencies (real emergencies, folks) or very quick questions (less than two or three minutes).
Florida Department of Education
Statewide Course Numbering System
New Course Transmittal Form
(see instructions on reverse side)

Part I: To Be Completed By the Institution or School District

Institution/District: University of Florida
District Code: 00
Institutional Code: 001535

Add Course As Indicated Below:

Recommended SCNS Course Identification:
Discipline (SMA) Prefix FIN Level 5 Course Number 108 Lab Code Contact Hour Base 02 or Head Count

Institution's Course Title: Personal Financial Management

Amount of Credit: 02
If Repeatable Credit or Variable Credit: total repeatable credit allowed
Instructor: minimum / maximum credit within a semester

Course Description (Course syllabus, grading criteria, and reading list must be attached.):
Development of personal financial strategies needed to accumulate and retain wealth. Life style investing. Study of financial products, markets and institutions used for retirement planning.

Prerequisites:
Corequisites:

Intended Students (Mark all that apply.):
☐ Undergraduate Nonmajors ☑ Graduate Students ☐ Other (specify):
☐ Undergraduate Majors ☐ Honors Students
☐ Advanced Undergraduates

Category of Instruction: ☐ Introductory ☑ Intermediate ☐ Advanced

List the department chair (by name & department) with whom you have cleared any question of possible duplication or infringement by this course. Each such chair must either sign the syllabus, indicate no concern over possible infringement, or make comments. Any lack of comments or signatures must be indicated.

Effective Term (first term/year course will be offered):
Fall 1999
Department Contact and Telephone Number:
Priscilla Kenney 2-0153

Signature, Department Chair: (Date) Signature, College Dean: (Date)
MILL D. ROY 8-12-99

Signature, Graduate Dean (if applicable): (Date) Signature, Institutional Contact: (Date)

Part II: Faculty Discipline Committee Representative Use Only

Approved Course Classification (Prefix, Number, Lab Code):
If not the same as recommended by institution, please explain:

SCNS Course Title (if new):
Decade Title (if new):
Century Title (if new):

Signature, Faculty Discipline Committee Representative Date

Part III: SCNS Staff Use Only

Signature Date Entered Correspondence Number
GOAL: The goal of Personal Financial Management is to provide instruction in how to accumulate and preserve personal wealth. Students will learn how to apply this material by completing a self-study personal financial management project.¹

FORMAT: A lecture and discussion format is followed.

REQUIRED READINGS: A number of articles from the Wall Street Journal and other financial trade press are assigned for each course section. In addition, students will complete Personal Financial Fact Finding, The American College, 1992

OTHER READINGS: Students who wish to do some background reading should look at both an investment text and a risk management and insurance text. For starters, I suggest: Bodie, Kane and Marcus, Essentials of Investments, 3rd Edition and Rejda, Principles of Risk Management and Insurance, 6th edition

GRADING: The course grade will depend upon completion of the Personal Financial Fact Finding book and the preparation of a comprehensive personal financial plan based upon the responses contained in the Fact Finding book.

¹ Individual privacy concerns will be addressed by permitting students to transform sensitive personal data if they so desire. The transformation will alter the absolute value of the data but preserve the mathematical relationships.
Attachment A

Evaluation of the Comprehensive Personal Financial Plan

Students will submit two documents for grading. First, the Fact Finding book will be submitted and it will be evaluated on the basis of completeness and reasonableness of responses. Second, each student will prepare a comprehensive personal financial plan based upon the information contained in the Fact Finding book. The format of the Plan will be as follows:

A. Executive Summary (one page limit)  Summary of the individual's current financial situation and a projected outcome if no change is made. The outcome will be expressed in terms of the probability the individual's goals can be realized. This will be followed by recommended changes in the plan in the areas of savings rates, asset allocation, insurance portfolio, estate plans and tax status.

B. Statement of Goals and Assumptions  Include a statement of each goal arranged in order of priority - be specific in the goal statement. Economic assumptions should be explicit (e.g. long run inflation will be x%, long run return on the recommended portfolio will be y%).

C. Cash Flow Analysis (pro forma)

D. Income Tax Analysis (2 or 3 most recent years)  Examine earned and unearned income including the breakdown between interest, dividends, capital gains (short and long)

E. Balance Sheet Analysis  Apply usual techniques such as the breakdown between real or financial assets and liquidity. Classify liabilities as long or short term and their APR.

F. Investment Portfolio Allocation  Breakdown the portfolio according to real or financial assets. The latter should be further broken down by cash or c.e.'s, bonds, equities, etc. Be sure to include both after-tax accounts as well as all retirement accounts.

G. Risk Management  Evaluate asset and insurance adequacy in the event of premature death, disability and sickness. Look at property-liability coverage for catastrophic occurrences such as hurricane, flood, liability (personal and business).

H. Retirement Planning  Examine wealth levels at projected ages. Integrate the effects of social security, pensions, and retirement accounts.

I. Estate Planning  This should deal with asset ownership, estate taxes, asset distribution (e.g. beneficiary selection) as well as the order in which assets are liquidated.

Note. It is recommended that financial planning software be used to complete this analysis. Many financial institutions provide this software over the Internet at no cost. Output from these programs can be attached as an Appendix to elaborate on and support the narrative in the above sections.
GENERAL FACULTY MEETING  
THURSDAY, AUGUST 27, 1998
3:30 PM - BUS 101
MINUTES

1. Minutes of April 28, 1998 General Faculty Meeting approved.

2. New faculty was introduced by Gary Koehler for DIS; Ginny Maurer for Management; Carol West for Economics


4. Dr. McCollough explained the new money/credit hours decisions.

5. Dr. McCollough led a discussion on the U.F. Bank.

6. Dean Kraft gave an update on Peer Groups and Quality Index. He also thanked BEBR for the $100,000 which was given back to the College.

7. John Hall explained the Undergraduate proposed curriculum changes which were then voted on.

   GEB 4956 passed
   FIRE Change GPA from 2.75 to 3.0 passed

8. Dean Kraft announced the CIBER Grant for the next 3 years

8. Motion made and seconded to adjourn. Passed

GRADUATE FACULTY MEETING  
08/27/98 BUS 101


2. Graduate Committee proposals for new courses:

Equal Opportunity/Affirmative Action Institution
September 8, 1998
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ECO 7272    passed
ECO 7273    passed
FIN 5244    passed
FIN 5504    passed

MBA: FIN 5108    deleted

3. Dr. McCollough discussed Alumni Fellowships.

4. Dean Kraft discussed the TIP and PEP awards, renaming of the Business Building, the Accounting Building, a new MBA Building, and renovation of Matherly Hall.

5. Motion made and seconded to adjourn. Passed