I hope you find this course interesting, practical, and useful in your personal and professional endeavors. Future assignments and handouts will be available on the class website at: http://www.kentlaw.edu/faculty/hchapman/classes/F%20FWMF07/index.htm.

CLASS PREPARATION

Read the material and prepare answers to the problems assigned on the syllabus. Page numbers without a prefix are in the casebook and handout page numbers are identified as “h/o.” Throughout the casebook there are Questions and Problems (“problems”) and “Exercises.” The syllabus will specify if you should do “problems” and/or “exercises”; do only the ones assigned.

FIRST WEEK ASSIGNMENTS

For Tuesday, August 29, do the assignments on the syllabus for sections A & B of Chapter 1. Please come to class prepared to participate. For Thursday, August 31, do sections C & D.

GRADE

The grade is based primarily on a final exam and may be adjusted up to 10% for participation and attendance. Class participation will be evaluated by your good-faith attempt to answer the assigned questions and problems. I will call on students in the order of a “hotseat” list that will be distributed the first day.

You have question? I have answers!

I encourage you to ask questions as often as they occur to you; my email box is open 24/7.

Enjoy the semester!
CHAPTER 1  INTRODUCTION TO WEALTH AND PERSONAL FINANCE

A. Introduction
Read the Preface and h/o 1-3 for a preview of some subjects we will discuss in the course.

B. Wealth and Financial Statements
Read 1-6; substitute “reduces its income” for “charges itself” in the last line on 5 and the first line on 6. Do problem 2 on 7 and the problems on h/o 4.

C. Introduction to Investing
Read 8 to the last paragraph on 11 and the booklet “Investing Essentials.” Please pick up this booklet from Claire Alfus outside my office, room 827.

D. Stock
Read 31-34 and the bottom of 44 to the middle of 53 (omit the formulas). Read h/o 8 with the discussion of technical analysis in the last paragraph on 48. Do the problems on 46, 49 (omit questions 2 and 4), and 51-2. (Do not do any of the exercises.) Also do the problems on h/o 9.

E. Mutual Funds
Read 54-63; h/o 10-11 after the first paragraph on 58; do the problems on those pages.

F. Exchange Traded Funds (ETFs)
Read h/o 12-13.

G. Time Value of Money
Read h/o 14-19 and do the problems on h/o 20-21.

H. Bonds
Read 34-40 (omit the formulas) and h/o 22-24 and the article on h/o 25, published more than 18 months ago in December 2005. Do the problems on h/o 26.

Zero Coupon and High Yield Bonds: Read 40-42, h/o 27, and do the problems and exercises on 41 and 42. (Use the present value calculator).

Tax-exempt, Callable and Convertible Bonds: Read 42-44 and h/o 28. Do problems 1 and 2 on 42, the problems and exercise on 43, and the problems on h/o 28. For the exercise on 43, an investor in the 31% tax bracket keeps only 69% of the interest received from a taxable bond. Divide the after-tax yield by .69 to determine the stated interest rate of a taxable bond.

I. Putting it All Together

J. Other Types of Investing (for your information only)
Read Short-Selling and Derivatives on 68-71 and h/o 31-32; skim h/o 33-35. I will discuss the problems and exercises on 71. This material will not be tested on these subjects.
CHAPTER 2  PROPERTY AND SUCCESSION SYLLABUS

A. Overview
   Read 74-76.

B. The Probate System
   Read 76-91; omit the second paragraph on 82. Do problems 1-4 on h/o 38.

C. Intestate Succession
   Read 91 through the second paragraph on 94 and ¶ 2,140 on 97 to 99. Do problems 2 and 5 on 99-100 and problem 5 on h/o 39.

D. Wills
   Read 100-101 and do the problem on 101.

   Execution: Read 101-110 (omit ¶ 2,225 on 107) and do problems 6-8 on h/o 39.

   Revocation: Read 110-115. Do problem 2 on 114 (see § 4-7(c) of the Illinois Probate Act) and problem 9 on h/o 39.

   Interpretation of Wills: Read 115-122 and do problem 1 on 119, referring to § 4-11 of the Illinois Probate Act. Would your answer change if Linda was not required to survive by 30 days?

E. Will Substitutes
   Joint Tenancy: Read 123-127; do problem 10 on h/o 39.

   Pay-on Death Beneficiary Designations: Read 127-129, do the problems on 129.

   Revocable Trusts: Read 131-134 and do problem 1 on 134. Consider how wills and trusts are revoked and review ¶ 2,250 on 112.

F. Marital Property
   Read 135-138 and do problem 11 on h/o 40.

G. Trusts
   Creation and Transfer of a Beneficiary’s Interest: Read 144-152, but omit the last paragraph on 151. Do the problem on 150.

   Successive Beneficial Interests: Read 152 up to last paragraph on 153; h/o 36-37; 155, and the last paragraph on 156.

   Fiduciary Duties: Read 157-161, h/o 41, and do the problem on 162. Review ¶ 2,535 on 150 for the problem.

Review Problem
   Do problem 12 on h/o 40.