Tasmanian School of Business and Economics

BFA204
FINANCIAL PLANNING

Semester 2, 2018
Unit Outline

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CONTACT DETAILS

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Room location and number: Consultation rooms, Centenary Building
Consultation hours: TBA

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Consultation hours: TBA
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NOTICE

This Unit Outline refers to the Unit Outline Essential Information resource which includes information, policies and requirements relevant to this unit. You must read the Essential Information resource as it is considered part of this Unit Outline.

WHAT IS THE UNIT ABOUT?

Unit description

A comprehensive financial plan will contribute towards the quality of a person’s life by reducing the uncertainty about their future needs and the resources that will be available to meet them. This unit examines what is involved in organising and managing an individual’s financial resources, and how to protect, maximise and enjoy the benefits obtained from these resources. The financial planning industry undergoing significant change commencing from March 2004 with the implementation of the Financial Services Reform Act 2001 (FSRA).

The aim of the Unit is to provide a sound understanding of the process of financial planning, together with some of the fundamental skills and knowledge that are required. In line with these objectives, each of the recognised steps in the financial planning process that have been developed by financial planners will be examined in detail, namely: gathering qualitative and quantitative data; identifying goals; identifying financial problems including: setting priorities, deciding on trade-offs and considering opportunity costs; preparing or interpreting written recommendations; implementing agreed-upon plans; and, reviewing, revising and maintaining personal financial plans. The ‘key areas’ that are important for the financial planning process are examined, namely: the regulatory framework; investments; managed funds; superannuation; home ownership; risk management and insurance; taxation; consumer credit; social security; estate planning.

Intended Learning Outcomes

On completion of this unit, you will be able to:

1. Knowledge of the financial planning industry and social framework
2. Knowledge of the role and function of the financial planner and how the role applies to the client-planner relationship.
3. Apply financial planning tools and concepts.
4. Communicate financial planning tools and concepts.
## HOW WILL I BE ASSESSED?

### Assessment schedule

<table>
<thead>
<tr>
<th>Assessment task</th>
<th>Date due</th>
<th>Percent weighting</th>
<th>Links to Intended Learning Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment Task 1: Three (3) Online tests</td>
<td>To be completed weeks 4, 8, 12</td>
<td>12%</td>
<td>1, 2</td>
</tr>
<tr>
<td></td>
<td>Wed 9.00 am – Sun 5.00pm</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>One hour duration only within the above dates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment Task 2: Assignment</td>
<td>2:00pm, Monday Week 9</td>
<td>22%</td>
<td>1, 2, 3</td>
</tr>
<tr>
<td>Assessment Task 3: Online discussion for <strong>distance</strong> students only associated with assignment topic</td>
<td>One day <strong>prior</strong> to assignment due date (distance)</td>
<td>6%</td>
<td>1, 2, 3, 4</td>
</tr>
<tr>
<td>Assessment Task 3: <strong>on campus only</strong> Tutorial participation</td>
<td>From week 2</td>
<td>6%</td>
<td>1, 2, 3, 4</td>
</tr>
<tr>
<td>Final Exam</td>
<td>Exam period</td>
<td>60%</td>
<td>1, 2, 3</td>
</tr>
</tbody>
</table>
Assessment details

**Assessment task 1 (All students)**

| Three (3) Online tests | The three (3) online tests comprise 30 multiple-choice questions comprising theory and calculations. The purposes of these tests are to assess your understanding of the concepts and issues included in the modules from the previous 3-4 weeks. The duration of the test is one hour only. Three (3) tests will be conducted during the semester to check the progress of your learning and understanding of key concepts. Ensure you are prepared before taking the test by having a calculator ready, factor tables and pen and paper if necessary. You are only allowed one attempt. Incorrect questions only will be available for review. |

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Measures Intended Learning Outcome:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criterion 1</td>
<td>Each online test is 4% of total unit assessment. Your result will not be available until after 6.00pm on MyLO under grades. Only incorrect questions will be available for review.</td>
</tr>
<tr>
<td>Task length</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Due by date</td>
<td>To be completed weeks 4, 8, 12 Wed 9.00 am – Sun 5.00pm</td>
</tr>
</tbody>
</table>

**Assessment task 2 (All students)**

| Task description | Written in depth analysis of financial planning topics. The written assignment is an individual assignment. |

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Measures Intended Learning Outcome:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criterion 1</td>
<td>Assignment assessments prepared for this unit have been designed allowing for accredited learning outcomes and time allowed for completion. Additional research is required outside prescribed materials. Refer assignment rubric.</td>
</tr>
<tr>
<td></td>
<td>1, 2, 3</td>
</tr>
</tbody>
</table>
Task length | No set word limit unless specified, however interpretation of calculations, where requested, will require a minimum of one paragraph.
---|---
Due by date | 2:00pm, Monday Week 9

### Assessment task 3 (Distance only)

**Task description**

Students are expected to answer the assignment and create/comment on at least four postings in MyLO. The assessment will be conducted by personal observation of student participation in On-line Discussion between you and other students.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Measures Intended Learning Outcome:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Criterion 1</strong></td>
<td>1, 2, 3, 4</td>
</tr>
</tbody>
</table>

You are required to submit your answers to assignments via MyLO dropbox area and engage in the Assessable Discussion/s for the associated assignment in the discussion area. You may move the discussion in any broad direction that is related to the Question/s and issues raised by the Question/s. The lecturer will monitor the Assessable Discussion/s regularly, and will intervene where appropriate e.g. to recognise a particularly valuable discussion or correct a misconception. It is the Assessable Discussion for you to explore in whatever directions and dimensions that you wish provided they are at least tangentially related to the Question/s and the Module/Topic content.

The purpose of the on-line discussions is to generate a lively debate. To this purpose, endeavour to maintain a “conversational” tone: Certainly reference where appropriate, but keep your submissions sharp and to the point. Multiple postings are preferred to one long one, so try to develop your discussions with others. Your first posting will generally be your longest.

**You must not post solutions or collude on this discussion board**

The mark allocated to assessable discussions will depend on the manner and extent to which you comply with the ‘Assessment Criteria’ provided below.

In addition, you may be imposed a penalty if the Unit Coordinator believes that your language or content is
inappropriate or offensive. MyLO provides a public forum: Due levels of respect, professionalism and high ethical standards are expected of all at all times.

Your participation in Assessable Discussion will be assessed in accordance with the criteria on page 5 using the below as a guide.

**HD Outstanding Contributor:** This person's contributions reflect exceptional preparation and reflection. The ideas offered are always substantive and provide major insights and direction for the discussion. If this person were not a member of the group, the quality of the discussions would diminish significantly.

**CR - DN Very Good Contributor:** Contributions in discussion reflect thorough preparation. Ideas offered are usually substantive, provide good insights and sometimes lead the direction of the discussion. Points and arguments are generally well thought-out and are often persuasive. If this person were not a member of the group, the quality of discussions would diminish considerably.

**PP - CR Adequate Contributor:** Contributions reflect satisfactory preparation. Ideas offered are sometimes substantive and provide useful insights, but seldom offer a major new direction for the discussion. Contributions tend to be more piecemeal than integrative. Arguments are sometimes presented and are fairly well substantiated and sometimes persuasive. If the person were not a member of the group, the quality of the discussions would diminish somewhat.

**NN Non-participant:** This person has offered very little or nothing to the discussion to date. Hence, there is an inadequate basis for evaluation. If this person were not a member of the group, the quality of the discussion would not change.

**NN Unsatisfactory Contributor:** Contributions reflect inadequate preparation. Ideas offered are seldom substantive; they provide few, if any, insights and rarely or never a constructive direction for the group. Integrative comments and effective arguments are absent. Class comments are either obvious, restatement of the contributions of others, isolated from the main discussion, or confusing to the group. If this person were not a member of the group, the quality of the discussion would hardly be affected.

Student discussion is likely to be more constructive and effective if you participate when others in the group are also discussing the Question/s for Assessable Discussion. You cannot expect to stimulate or direct the discussion of your group if you
leave your contributions too late. Therefore, you should monitor the discussion board of your group regularly to see what discussion is taking place throughout the Module. Also prepopulates exam section

<table>
<thead>
<tr>
<th>Task length</th>
<th>As per criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due by date</td>
<td>One day prior to assignment due date</td>
</tr>
</tbody>
</table>

**Assessment task 3 (On Campus only)**

<table>
<thead>
<tr>
<th>Task description</th>
<th>You are required to attend tutorials and to participate in class discussions. The tutorial discussion questions are embedded in the lecture power points for the relevant topic. You are expected to complete the discussion questions/exercises before the tutorial.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria</td>
<td>Measures Intended Learning Outcome:</td>
</tr>
<tr>
<td>Criterion 1</td>
<td>Tutorial preparation</td>
</tr>
<tr>
<td>Criterion 2</td>
<td>Engagement during each tutorial, as evidenced by making one or more oral contributions that add/s value to the tutorial.</td>
</tr>
<tr>
<td>Task length</td>
<td>Variable</td>
</tr>
<tr>
<td>Due by date</td>
<td>From week 2</td>
</tr>
</tbody>
</table>
### Final Exam (All students)

<table>
<thead>
<tr>
<th>Description</th>
<th>Three-hour written examination that assesses all intended learning outcomes and represents 60% of the total unit assessment. The final examination will be a <strong>closed book</strong> exam. You will need a non-programmable calculator to complete the exam. Financial calculators are permitted as long as they do not allow the storage of data in an autonomous memory.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria</td>
<td>Measures Intended Learning Outcome:</td>
</tr>
<tr>
<td>Criterion 1</td>
<td>The purpose of the final exam is to assess your <strong>understanding</strong> of the theories and models learned in the semester, as well as your competence in <strong>solving and analysing</strong> complex problems. The problem-solving questions require you to distinguish and select appropriate methods and models to achieve a solution. The short answer questions involve the need to summarise, define and explain the concepts and theories acquired. A formula sheet is attached to the exam paper.</td>
</tr>
<tr>
<td>Duration</td>
<td>3 Hours</td>
</tr>
<tr>
<td>Date</td>
<td>The final exam is conducted by the Student Centre in the formal examination period. See the <a href="#">Examinations and Results</a> page on the University’s website, or access your personal exams timetable by logging into the <a href="#">eStudent Centre - Personal Exams Timetable</a> for specific date, time and location closer to the examination period.</td>
</tr>
</tbody>
</table>
WHAT LEARNING OPPORTUNITIES ARE THERE?

Resources

Required readings
You will need the following text:


Recommended readings
In addition to the texts (or software) recommended above, students are also expected to be familiar with the key academic journals in the discipline from which useful insights may be derived. In particular, students are encouraged to review regularly the relevant papers that are published in:

Financial planning is a dynamic area. Students are therefore urged to follow current events and developments in finance in the press. This includes reading the following periodical regularly (look for special student offers):

The Australian Financial Review ([www.afr.com](http://www.afr.com)),

The Economist ([www.economist.com](http://www.economist.com)),

The Financial Times ([www.ft.com](http://www.ft.com)),

The Wall Street Journal ([www.wsj.com](http://www.wsj.com)).

There are many resources on the web, but be aware not all of them are worthwhile. Consult the leading textbooks for references.

Among academic journals look in Journal of Finance, Journal of Applied Corporate Finance, Accounting and Finance, and other journals that can be found in the library.

Reading Lists
Reading Lists provide direct access to all material on unit reading lists in one place. This includes eReadings and items in Reserve. You can access the Reading List for this unit from the link in MyLO, or by going to [the Reading Lists page](http://the Reading Lists page) on the University Library website.
Activities

Details of teaching arrangements

Distance

There are eight Modules for you to study independently in this Unit, each of which has a number of Topics within it. For each of the Topics there are narrated PowerPoint Slides that introduce key concepts. There are Activities, Recommended Readings and Case Studies for you to undertake during the semester.

This unit is also being delivered on campus and lecture presentations and lecture solutions will also be available for students review on MyLO.

From week 3 there will be an online tutorial. The online tutorials are a forum for students to discuss any subjects for clarification. The tutorial discussion questions are embedded in the lecture power points for the relevant topic.

You need to complete, three On-line Tests, one Assignment with an associated online discussion and one Final Assessment to pass this Unit (see Assessment section below).

The Unit is planned to enable you to work at your own pace. It is important, however, to work consistently through the course materials. If there is any area of work that you do not understand, you should contact the Unit Coordinator immediately, and make sure you do not progress to the next Topic/Module without a thorough understanding of the previous one.

Encouraging you to study and learn independently is an important goal of university study. It is a feature of a reflective approach to learning where you reflect on what you are learning and how you plan your learning strategy.

It is not the aim of flexible delivery that you feel you must work through problems alone. The exchange of information and ideas is a very important part of your learning development. You will gain most benefit by staying in close contact with other students and with the Unit Coordinator via the Discussion and Mail facilities of MyLO.

All aspects of your work are expected to be of a high standard, both in academic content and quality of presentation. It is important to contact the Unit Coordinator immediately should you experience any difficulties.

Do not be reluctant to ask questions or contribute ideas, even if only partly formed, as these can often form a basis for very constructive interaction. Remember that the MyLO Discussions will be as interesting and useful as you make them.
The “Double L, Double R, Double D” approach

To get the most from this Unit, you should adopt the following approach:

- Locate the Topic on MyLO that must be done next;
- Listen to the PowerPoint Presentation;
- Read the Recommended Readings;
- Reflect on the concepts and issues that have been encountered;
- Discuss the concepts and issues with other students via MyLO; and
- Do the exercises that are provided for the Topic.

Throughout the Semester, your objective should be to gain a broad knowledge and understanding of the Topics that are covered in the various Modules contained in the Unit. Wherever possible, you should make extensive use of the MyLO Discussion Topics that have been provided for you to use. If you are geographically close to each other, you are encouraged to form local work groups.

On-Campus

There is a 2 hour lecture once per week. Refer to the University timetable for times and venues and the Study Schedule at the end of this outline. Lectures will consist of topic summaries, explanations and demonstrations and will provide an overview of the theoretical and applied aspects of the course content. However, they will constitute an introduction only. In order to gain full understanding of the subject matter you must complete all relevant reading, participate actively in the tutorials and undertake additional exercises and problems (i.e. learning through doing). Lecture Handouts are available on MyLO.

There is a 1 hour tutorial once per week beginning in Week 2. Refer to the University timetable for times and venues. It is very important that you complete all the relevant reading and attempt all the required exercises before attending each week’s tutorial. Details of the tutorial exercises are outlined in the last slide of the weekly Lecture Handout available on MyLO.

Details of tutorial times are also available on MyLO. Failure to adhere to these requirements could result in lower participation marks due to incomplete recording of your tutorial participation.

The tutorials are designed to help ensure that you develop a fuller understanding of and an ability to use the material that is covered by the text and presented in the lectures. The motivation for tutorial participation assessment is to encourage students to prepare answers, attend tutorials, and contribute to class discussion. Tutorial participation is worth 6% of the final unit mark (therefore each tutorial is worth 0.5% of the final unit mark).
This, along with the fact that set questions covered in tutorials will be similar in nature and difficulty to the problems in the end of semester exam, should provide sufficient incentive for students to participate in tutorials. The tutorial Review Questions are generally theoretical in nature and are important in aiding students' learning of the subject matter and in interpreting the calculations undertaken in problems. Articles from the financial press may also be provided for discussion in tutorials.

Review Questions may be broken down into sub parts and questions may be asked that have not been specifically set for preparation but nevertheless relate to the subject matter. This tests students' broader knowledge and their ability to apply the knowledge to other situations including the real world.

Solutions to selected tutorial Review Questions will be available on MyLO after the end of the respective tutorial week.

**Specific attendance/performance requirements**

In this unit, your active engagement will be monitored in the following way:

1. Attendance at weekly tutorial (On Campus students)
2. Completion of weekly tutorial preparations

If you do not demonstrate evidence of having engaged actively with this unit by completing these two activities by Week 4 of semester, your enrolment may be cancelled or you may be withdrawn from the unit.
<table>
<thead>
<tr>
<th>WEEK</th>
<th>DATE BEGINNING</th>
<th>TOPIC / MODULE / FOCUS AREA</th>
<th>ACTIVITIES</th>
<th>RESOURCES / READINGS / FURTHER INFORMATION</th>
</tr>
</thead>
</table>
| 1    | 16 July        | Financial planning environment. Compliance and Ethics | On Campus students: Chpt. 1 & 4  
  Distance students: Module 1 | |
| 2    | 23 July        | Financial planning environment. Compliance and Ethics (cont.) | On Campus students: Chpt. 1, 2 & 4  
  Distance students: Modules 1 & 2 | |
| 3    | 30 July        | Financial planning skills | On Campus students: Chpt. 2, 3, 4, & 20  
  Distance students: Modules 1, 2 & 3 | |
| 4    | 6 August       | Financial Planning Skills & Taxation | On Campus students: Chpt. 3, 4, 13 & 14  
  Distance students: Modules 1, 2, 3 & 6 | Online test |
| 5    | 13 August      | Non-Superannuation Investments | On Campus students: Chpt. 7, 8, 9, 10, 11  
  Distance students: Module 4 | |
| 6    | 20 August      | Non-Superannuation Investments (Cont.) | On Campus students: Chpt. 7, 8, 9, 10, 11  
  Distance students: Module 4 | |
| 7    | 27 August      | Superannuation | On Campus students: Chpt. 12  
  Distance students: Modules 7 & 8 | |

Mid-semester break: 3 September to 7 September (inclusive)
<table>
<thead>
<tr>
<th>WEEK</th>
<th>DATE BEGINNING</th>
<th>TOPIC/ MODULE/ FOCUS AREA</th>
<th>ACTIVITIES</th>
<th>RESOURCES/ READINGS/ FURTHER INFORMATION</th>
</tr>
</thead>
</table>
| 8    | 10 September   | Superannuation (Cont.) & Retirement. | On Campus students: Chpt. 17  
Distance students: Modules 7 & 8 | Online test |
| 9    | 17 September   | Insurance and personal risk | On Campus students: Chpt. 15 & 16  
Distance students: Module 10 | Assignment due Distance students  
Assessment 3 |
| 10   | 24 September   | General insurance/Credit & Home Ownership | On Campus students: Chpt. 5 & 6  
Distance students: Modules 4 & 10 |  |
| 11   | 1 October      | Credit & Home Ownership | On Campus students: Chpt. 5 & 6  
Distance students: Modules 4 & 10 |  |
| 12   | 8 October      | Estate Planning | On Campus students: Chpt. 19  
Distance students: Module 9 | Online test |
| 13   | 15 October     | Social Security | On Campus students: Chpt. 18  
Distance students: Module 8 |  |

Examination Period: 27 October to 13 November (inclusive)
ACCREDITATION

AACSB Accreditation

The Tasmanian School of Business and Economics (TSBE) is currently in the process of applying for business accreditation with the Association to Advance Collegiate Schools of Business (AACSB) – the lead program for accrediting business schools globally. AACSB seeks to connect educators, students, and business to achieve a common goal – to create the next generation of business leaders.

By joining AACSB and going through the accreditation process, TSBE is joining a global alliance committed to improve the quality of business education around the world, and to share the latest innovations in business education. Gaining Business Accreditation with AACSB is a multi-year process involving TSBE demonstrating our performance against the 15 accreditation standards.

Once complete, TSBE will join a select community of accredited business schools, with only 7% of all business schools globally having completed the AACSB process. This will further enhance the reputation of TSBE, and further enhance the global recognition of your qualifications. To find out more about AACSB click [here](#).