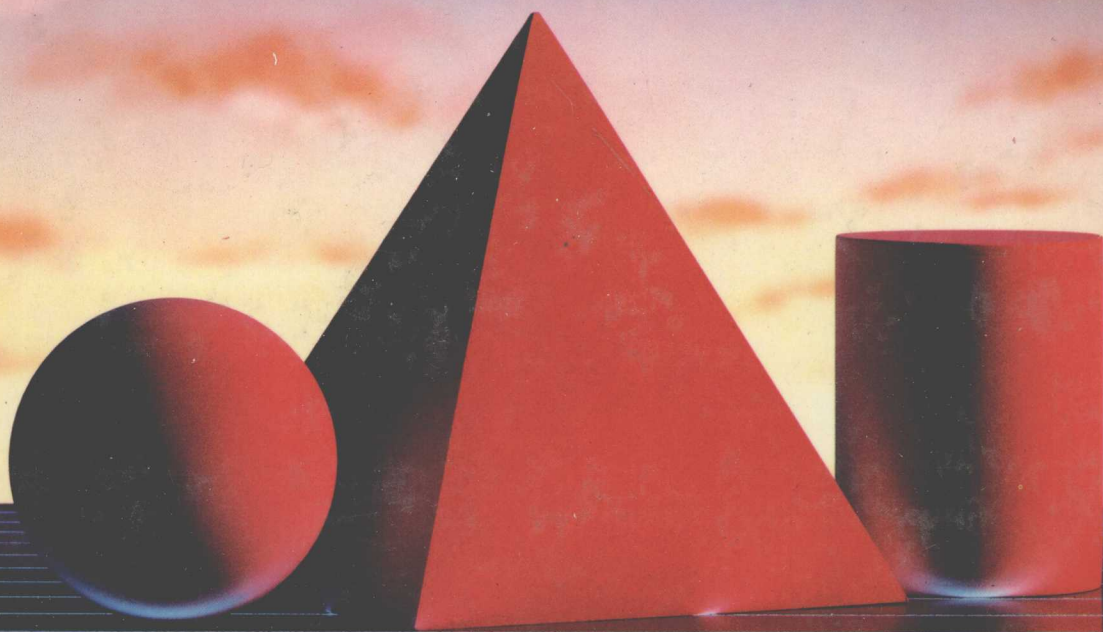

PERSONAL FINANCE

Jack R. Kapoor ▲ Les R. Dlabay ▲ Robert J. Hughes



PERSONAL FINANCE

Jack R. Kapoor
College of DuPage

Les R. Dlabay
Lake Forest College

Robert J. Hughes
Richland College

1988

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PERSONAL FINANCE

To my wife, Theresa Kapoor, and to my children,
Karen Tucker, Kathryn and Dave Kapoor.

To my wife, Linda Dlabay, and to my children,
Carissa and Kyle.

To my wife, Peggy Hughes.

Preface

Spending, saving, borrowing, and investing decisions are the foundation of personal financial planning. These basic decisions are influenced by various economic and social factors, including:

- Changing economic conditions, such as changes in inflation rates, interest rates, and employment opportunities.
- Technological advances that stimulate new financial services and increase the access to information needed for financial planning decisions.
- Changes in tax laws and other legislative actions that require individuals to know about the dynamic financial marketplace.

These and other factors that affect personal financial planning are continually addressed in this textbook because it is important to study the role of personal financial planning in a changing environment.

ORGANIZATION OF THE TEXT

This textbook follows a logical sequence of personal finance topics. The topics covered by the six text parts are as follows:

Part One, “Planning Your Personal Finances,” introduces personal financial planning and discusses career planning and the basics of financial record-keeping and budgeting.

Part Two, “Managing Your Personal Finances,” discusses such financial services as savings and checking accounts. The use of credit and the planning and paying of your taxes are also covered in this part.

Part Three, “Making Your Buying Decisions,” presents the background you need to purchase housing, transportation, and other products and services.

Part Four, “Protecting Your Resources,” discusses insurance coverage for your life, health, and property.

Part Five, “Investing Your Money,” considers the various ways in which you can make your money work for you.

Part Six, “Controlling Your Financial Future,” addresses the subject of long-term financial security as it relates to retirement and estate planning.

This sequencing will make it easier for you to develop and implement the overall financial plan that will best serve your personal economic needs.

A Personal Finance course provides the framework for additional study in the area of finance. Advanced and specialized finance courses will expand your knowledge of this area. These courses include Financial Management, Investments, Insurance, Taxes, Real Estate, and Estate and Retirement Planning. Taking such courses will give you the background you need to pursue career opportunities in financial planning.

TEXT FEATURES

This textbook has a number of components that will stimulate and enhance the learning process. The supplementary information sources, chapter format, end-of-part cases, and appendixes will be valuable to both students and teachers.

Sources of Personal Finance Information

To supplement your study of Personal Finance, a list of personal finance periodicals and sources of information is presented on the front and back inside covers of the book. This feature will help you update the knowledge you need to make rational economic choices.

Chapter Format

Each chapter is organized so that learning will occur in a logical and thought-provoking manner. The major components of each chapter are:

- A chapter overview and a list of the chapter learning objectives.
- An interview with a personal finance expert.
- An opening scenario that introduces the chapter through a real-world situation; questions about the opening scenario are included among the discussion questions that appear at the end of each chapter.
- A listing of each chapter objective in the margin at the beginning of the section in which the topic pertaining to that objective is covered.
- Boxed features on *real-world applications* that expand the chapter content. These features appear under the following headings: “In the Real World,” “In the News,” “Today’s Lifestyles,” “Technology for Today,” “Personal Financial Planning and You,” and “Careers in Personal Finance.”
- The chapter summary, a point-by-point synopsis of the chapter content based on the chapter objectives.
- The chapter glossary, which defines the key terms in the chapter.
- Review questions that help you assess your understanding of the chapter content.
- Discussion questions and activities that help you expand your knowledge of the chapter content.
- An additional readings list consisting of books and articles that will expand your understanding of the chapter material.
- The cases, real-world situations to which you apply your financial planning skills.

These chapter components create a total learning package that can be adapted to any educational setting.

End-of-Part Cases

At the end of Chapters 3, 7, 10, 14, 18, and 20 are comprehensive cases. Each of these embraces a number of financial planning concepts and allows

students to practice their decision-making skills by coping with realistic situations.

Appendixes

This textbook also has four appendixes that supplement the main content: “Choosing a Financial Planner,” “Buying a Personal Computer and Financial Planning Software,” “The Time Value of Money,” and “Consumer Agencies and Organizations.” These appendixes provide practical guidelines on the topics they cover.

SUPPLEMENTARY MATERIALS

The instructional package for our book consists of the following materials:

- *The Student Resource Manual*. This study guide is designed to review and apply the concepts developed in each chapter. It contains a chapter overview, a pretest, self-guided study questions, a posttest, problems, projects, and field research and financial planning activities. The *Student Resource Manual* also includes recent articles on personal financial planning topics from *The Wall Street Journal*; each reading is accompanied by study questions.
- *Course Planning Guide*. This publication provides a basic framework for the use of *Personal Finance*. The first section provides suggestions for planning and implementing various instructional strategies. The second component of the *Course Planning Guide* lists periodicals, publications, audio-visual materials, software, and community resources available to supplement the instructional process. This publication also includes a guide to reading and using *The Wall Street Journal*.
- *Instructor's Manual*. This supplement provides the basic material needed for teaching the course, including a chapter overview, a list of learning objectives with content summaries, and answers to end-of-chapter questions and cases. The *Instructor's Manual* also includes ready-to-duplicate chapter outlines, chapter quizzes, and personal finance research sheets for use by students in doing their own financial planning and comparison of financial services.
- *Lecture Notes*. The lecture guide presents instructional suggestions for each chapter including points to highlight, references to transparencies, in-class exercises, examples from current readings, suggested discussion questions, and references to supplementary resources.
- *Transparencies*. Transparency masters for 100 text and other visuals are offered for class presentations. Also, 30 major concepts from *Personal Finance* are presented on color acetates.
- *Test Bank*. An extensive evaluation program is available with *Personal Finance* involving over 1200 true–false, multiple choice, and essay questions keyed to specific textbook pages with an indication of difficulty level. These test items are available in a printed manual as well as in COMPUTEST II format which allows the use of a personal computer to

create tests based on chapter, type of question, and difficulty level. The COMPUTEST II system also allows instructors to add their own test items. The printed manual of tests also includes end-of-part tests and a final examination consisting of selected items from the test bank.

- *Personal Finance Software*. This comprehensive software package includes financial planning routines for each chapter of the text. These programs may be used to do problems included in the *Student Resource Manual* or the *Software Manual*, or the software can be of value in your own personal financial planning situation. The *Software Manual* includes operating instructions, an overview of all routines, sample problems, and other applications.

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- A. Sam Ghanty
*University of Wisconsin,
Green Bay*
- L. Milton Glisson
North Carolina A&T State University
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| Bernard J. Landwehr
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<i>University of Wisconsin, Parkside</i> |
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A NOTE TO STUDENTS

Since most fundamentals of successful personal financial management remain constant, we are sure you will find this book a valuable reference for many years.

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