

FINS2643 WEALTH MANAGEMENT

Course Outline Semester 2, 2017

Course-Specific Information

The Business School expects that you are familiar with the contents of this course outline. You must also be familiar with the School's Course Outlines Policies webpage which contains key information on:

- Program Learning Goals and Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Student Support and Resources

This webpage can be found on the Business School website:
<https://www.business.unsw.edu.au/degrees-courses/course-outlines/pol>

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PART A: COURSE-SPECIFIC INFORMATION

1 STAFF CONTACT DETAILS

Position	Name	Email
Lecturer-in-charge	Nidal Danoun	n.danoun@unsw.edu.au

Students with questions about course administration or content are encouraged to:

- Read this course outline
- Check the course website
- Contact the tutor/instructor during class for non-urgent matters
- E-mail your tutor/instructor
- Contact your tutor/instructor during consultation hours

For e-mail communication with staff, teaching staff may ignore non-UNSW email address for internet security reasons. Students are responsible for ensuring their email accounts are NOT full.

2 COURSE DETAILS

2.1 Teaching Times and Locations

The course consists of a two-hour lecture and a one-hour tutorial per week. There are two lecture streams

Wed 16:00 to 18:00 Mathews Theatre

2.2 Units of Credit

The course is worth 6 units of credit.

2.3 Summary of Course

This course teaches the financial planning process adopted by professional financial planners to manage finance, investment and other wealth management tasks. The course consists of four sections: First, an introduction of the financial planning industry, financial planning process and regulatory frameworks. Second, the course covers fundamental topics that include communicating with clients, client financial status and goals assessment, budgeting, the taxation and social security systems and home ownership and credit management. Third, the course investigates specific topics required for the construction of a comprehensive financial plan: tax planning; investment strategies and asset allocation implementation of investment strategies with securities and managed funds; risk management and insurance; superannuation; and estate planning. The course finishes with an examination of ethics framework and its application in the provision of financial planning advice.

2.4 Course Aims and Relationship to Other Courses

This course focuses on

1. understanding the nature, usage and regulations of financial products;
2. the financial planning process;
3. professional standards and regulations of providing personal financial advice.

The financial planning application focus and the emphasis on the provision of professional advice to individuals differentiate this course from other investment and portfolio management courses.

This course involves the application of financial market, securities valuation and portfolio management knowledge and skills from FINS1612 and FINS2624 in the context of personal wealth management decisions. It does not focus on portfolio or trading strategies per se. Advanced level coverage of valuation, investment and portfolio strategies can be found in other courses offered by the School of Banking and Finance, such as in FINS3640.

This course is one of the four required courses in UNSW undergraduate finance programs (FINS1612, 2624, 2643, 3637) for students to claim compliance to ASIC RG146 education requirements for financial product advisers. FINS1612 provides financial market and product training. FINS2624 provides investment valuation and portfolio management training. This course covers all essential elements in the provision of financial planning advice. FINS3637 is the capstone course in financial planning that extends and reinforces the training of this course in the provision of professional financial planning advice. Please visit the following webpage for details including the procedure to prove completion of a RG146 compliant education program which your future or prospective employers in the financial service industry may request.

<http://www.handbook.unsw.edu.au/faculties/2017/comm/ProfRecognitionPG.html>

There is no additional application required at UNSW or ASIC.

2.5 Student Learning Outcomes

Upon completion of this course you should be able to:

- 1) Explain the needs and the roles of financial planners and the financial planning process;
- 2) Anticipate, discuss, and analyse clients' potential financial needs;
- 3) Set and analyse personal financial goals;
- 4) Analyse retirement saving needs;
- 5) Create and negotiate a cash flow budget that balance financial resources and financial planning goals;
- 6) Explain the operation of the Australian social security system and its relevance for financial planning;
- 7) Explain the impact of Australia Tax System on financial planning decisions;
- 8) Suggest tax effective strategies and structure to build wealth;
- 9) Evaluate the investment value and select finance for residential properties;
- 10) Recommend appropriate consumer finance products and best practices;
- 11) Discuss client risk perceptions, explain investment risks and analyse client risk profiles;
- 12) Critically evaluate common asset allocation practices and recommend long term investment strategies given client objectives, risk profile and constraints;
- 13) Select and justify investment products and financial securities for the implementation of investment strategies;
- 14) Analyse and explain client insurance needs and recommend appropriate insurance products;
- 15) Analyse the effectiveness and limitations of retirement funding structure such as superannuation funds and self-managed superannuation funds;
- 16) Analyse strategies to manage retirement spending rate and longevity risk;
- 17) Create and analyse the effectiveness of an estate plan;
- 18) Construct and analyse a complying personal financial plan;

- 19) Identify, explain and apply ethical principles, professional standards and regulation in providing personal financial advice.

The Course Learning Outcomes are what you should be able to DO by the end of this course if you participate fully in learning activities and successfully complete the assessment items.

The Learning Outcomes in this course also help you to achieve some of the overall Program Learning Goals and Outcomes for all undergraduate students in the Business School. Program Learning Goals are what we want you to BE or HAVE by the time you successfully complete your degree (e.g. 'be an effective team player'). You demonstrate this by achieving specific Program Learning Outcomes - what you are able to DO by the end of your degree (e.g. 'participate collaboratively and responsibly in teams').

Business Undergraduate Program Learning Goals and Outcomes

1. Knowledge: Our graduates will have in-depth disciplinary knowledge applicable in local and global contexts.

You should be able to select and apply disciplinary knowledge to business situations in a local and global environment.

2. Critical thinking and problem solving: Our graduates will be critical thinkers and effective problem solvers.

You should be able to identify and research issues in business situations, analyse the issues, and propose appropriate and well-justified solutions.

3. Communication: Our graduates will be effective professional communicators.

You should be able to:

- a. Prepare written documents that are clear and concise, using appropriate style and presentation for the intended audience, purpose and context, and
- b. Prepare and deliver oral presentations that are clear, focused, well-structured, and delivered in a professional manner.

4. Teamwork: Our graduates will be effective team participants.

You should be able to participate collaboratively and responsibly in teams, and reflect on your own teamwork, and on the team's processes and ability to achieve outcomes.

5. Ethical, social and environmental responsibility: Our graduates will have a sound awareness of the ethical, social, cultural and environmental implications of business practice.

You should be able to:

- a. Identify and assess ethical, environmental and/or sustainability considerations in business decision-making and practice, and
- b. Identify social and cultural implications of business situations.

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals and Outcomes, and indicates where these are assessed (they may also be developed in tutorials and other activities):

Program Learning Goals and Outcomes		Course Learning Outcomes	Course Assessment Item
1	Knowledge	See Learning Outcomes 1-19.	<ul style="list-style-type: none"> • Blog • Tutorials • Exam
2	Critical thinking and problem solving	See Learning Outcomes 2-5, 9-19. They require students to “analyse”, “apply”, “negotiate”, “evaluate”, or “recommend” which applies critical thinking and problem solving.	<ul style="list-style-type: none"> • Blog • Tutorials • Exam
3a	Written communication	Construct written work which is logically and professionally presented.	<ul style="list-style-type: none"> • Blog • Executive Summary
3b	Oral communication	Communicate ideas in a succinct and clear manner.	<ul style="list-style-type: none"> • Media Presentation
4	Teamwork	Not specifically addressed in this course.	
5a.	Ethical, social and environmental responsibility	See Learning Outcome 19.	<ul style="list-style-type: none"> • Exam
5b.	Social and cultural awareness	Not specifically addressed in this course.	

3 LEARNING AND TEACHING ACTIVITIES

3.1 Approach to Learning and Teaching in the Course

The overall objective of the course is to enable students to acquire the knowledge and skills required to implement the financial planning process personally and professionally. The instructor is here help by providing instructions, curating materials and setting assessment tasks. You learn by actively reviewing study materials, making study notes/blog, ask questions, providing feedback, interacting with fellow students (which also facilitate practice of communication skills essential in profession financial planning), applying the knowledge and skills. Assessment tasks are designed to support and incentivise these activities.

There is a substantial amount of readings in this course and in offering financial planning advice because the process involves regulations in different domains. There are timeless elements in finance knowledge, ethical principles and the structure of financial planning, but there are also impermanent regulatory structures, thresholds, tax rates, and other institutional and regulatory parameters. The final solution of a specific financial planning problem depends on the interactions between the timeless elements and the impermanent environment parameters.

Financial planning is an emerging field; existing textbooks and reference materials available in the market do not satisfy all the goals of this course. Some materials may appear too broad or at a low level, others may have too dry, too much detail or too deep. You should be pragmatic going through readings and focus on three questions:

1. What are the financial planning problems that this reading could help to solve?
2. What is the timeless knowledge?
3. What are the key sources of regulations and parameters relevant for defining, solving the problem and for providing advice?

Persistent focus on these three questions will enable you to maintain clarity through the relatively large volume of information across topics.

In order to achieve a high grade in this course, **it is essential that you**

1. **work consistently (do not cram in the last minute),**
2. **have hands-on experience in the step by step application of the financial planning process, and**
3. **master the distinctions between the timeless and impermanent elements of course materials.**

3.2 Learning Activities and Teaching Strategies

The Role of Lectures

The lectures build from the relevant core readings to set out the main ideas, theories, and conceptual frameworks for the course. Lectures include interactive learning processes and will synthesize materials from a range of sources, including your own prior knowledge and experiences. We expect you to come to and be prepared for each lecture. This means you should have read and considered the relevant chapter. From a time management perspective, this means you will need to allocate approximately three hours per week for basic reading. If you need any assistance in managing your time you will find the UNSW Business School's Education Development Unit (EDU) a useful resource.

The Role of Tutorials

The weekly tutorials provide you with an interactive environment in which to enhance your learning and your enjoyment of the course. These tutorials include exercises and presentation of current events. By actively engaging in the tutorials, you will increase your confidence and competence in technical, presentation and critical skills. They also provide you with the opportunity to enhance your interpersonal skills through interacting with others, working together in diverse groups, forging learning networks, learning about other cultures and learning to understand values and opinions different from your own.

4 ASSESSMENT

4.1 Formal Requirements

In order to pass this course, you must achieve a composite mark of 50.

4.2 Assessment Details

The assessment tasks and their weighting in your composite mark are as follows:

Assessment Task	Weighting	Length	Due Date
Tutorial Participation*	30%	See below	On Going (see below)
Mid-Term Test	20%	1 hr	23 August at 4pm (in the lecture)
Final Exam	50%	2 hr	Centrally Managed

* Tutorial mark will be made available on the 3rd of November 2017 on Moodle. There will be no amendment or correction tutorial or group project mark after 10th of November 2017. Students should contact their tutors to resolve any issue before the 10th of November 2017.

Tutorial Participation

Tutorials facilitate small group discussion of course materials and permit on-going assessment of students' effort and progression in the achievement of learning outcomes.

Tutors will assess student performance in their registered tutorial based on

1. Weekly Moodle BLOG (15% weight). TWO subject headings are required in each Weekly BLOG entry. Only Plain Text and Inserted Objects are permitted. No attachment would be read.
 - a. **"Week X Reflection"**
 - i. This should be completed after reviewing lecture materials and completing tutorial questions.
 - ii. In 50-100 of YOUR OWN words, describe what are the key **Knowledge and Insights** you have learned and what **Questions and Thoughts** you remains. This should be done before the tutorial and you may add to this after a tutorial.
 - b. **"Week X My Financial Plan"**
 - i. This activity varies by the week in the required time and writing but essentially it is about building up the financial plan by applying the concepts in the material of the week to your personal situation.
 - ii. An executive summary (less than an equivalent of 2 pages) is due on the student's tutorial day in week 13.
 - c. **Initial BLOG inspection and feedback (4% weight) will take place after week 4 tutorials and final inspection (11% weight) will take place after week 13 tutorial.**
 - d. Marking Criteria:
 - i. 50% research and effort (e.g. thinking through the key concepts, doing data collection or self-assessment)
 - ii. 50% on logic and concise professional writing as per PLG3a
2. Tutorial Contributions (15% weight)
 - a. Research and Oral Presentation (10% weight)
 - i. Individual oral 3-minute presentation of relevant and interesting information/opinion from financial media/research paper readings
 - ii. Marking Criteria

1. 50% content
2. 50% presentation as per PLG3b
- b. Tutorial Discussion (5% weight).
 - i. Criteria:
 1. 100% on contribution to discussion that further the learning and general interest in the tutorial topic.
 2. Student's punctual attendance is assumed and does not constitute a basis for awarding marks in this component.
 3. Discussion may relate to
 - a. Evaluation or further exploration of oral presentations,
 - b. Thoughts in preparing the financial planning folder or
 - c. Exploration of topics of the week and tutorial questions
 - d. Your BLOG should inform you here.

Mid-Term Test

The test will consist of multiple choice questions covering week 1-3. The test will be held in week 5 (23 August at 4pm) at the regular lecture time and venue

Final Examination

The examinations focus on evaluating students' command of the body of knowledge and problem solving skills with respect to the relevant learning outcomes. Both examinations will consist of multiple choice, short-essay and problem solving questions.

4.3 Late Submission

Late submission will not be assessed. Anticipate your plans over the next few months and contact your instructor if you expect issues with submission.

Quality Assurance

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential.

5 COURSE RESOURCES

You will be able to obtain the latest course announcements and course materials via Moodle (<http://moodle.telt.unsw.edu.au>). Lecture notes will be available for download a day before the lecture in a teaching week. Solution to self-study exercises will be posted after the teaching week.

Prescribed text:

Taylor, S., 2017, Financial Planning in Australia 2017 Essentials Edition, LexisNexis Butterworths.

Reference Materials:

Standard of Practice Handbook (10th Edition), CFA Institute (Free download: <http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2010.n2.1>)

Australian Master Financial Planning Guide 2016-17, 19th ed., Wolters Kluwer CCH.

Clitheroe, P., 2009, Making Money: The Keys to Financial Success, New and Updated, Penguin.

Reference internet sites:

- Business spectator www.businessspectator.com.au
- Professional Planner www.professionalplanner.com.au/
- ASIC www.asic.gov.au
- Financial Planning Association www.fpa.asn.au
- Money money.ninemsn.com.au
- Australian Securities Exchange Ltd www.asx.com.au
- Morningstar Australia www.morningstar.com.au
- Australian Tax Office www.ato.gov.au
- Reserve Bank of Australia www.rba.gov.au
- Australian Prudential and Regulatory Authority www.apra.gov.au
- Centrelink www.centrelink.gov.au
- Law For You www.lawforyou.com.au/Nsw/
- Library info.library.unsw.edu.au/sshl/guides/bank/bankkey.html

6 COURSE EVALUATION AND DEVELOPMENT

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's myExperience survey is one of the ways in which student evaluative feedback is gathered.

In addition to UNSW's myExperience survey, you are encouraged to contact Dr. Karehnke at p.karehnke@unsw.edu.au during the term in relation to your experience in the courses and suggestions of potential changes that could further enhance the course. As a result of past student suggestions, tutorial assessment has been modified to allow a higher weighting of the personal financial planning folder to match the effort involved.

7 COURSE SCHEDULE

Lecture Schedule

Lecture notes will be posted on Moodle at least a day prior to the lecture.

Week	Topic	Book Chapters
Week 1 24 July	Role of Financial Planners and The Financial Planning Process	1, 2, 3
Week 2 31 July	Budgeting and Financial Plan	4, 5
Week 3 7 August	Taxation	10
Week 4 14 August	Tax Planning	10
Week 5 21 August	Mid-term test (Week 1-3)	
Week 6 28 August	Social Security, Home Ownership and Credit	13
Week 7 4 September	Asset Allocation	6, 7
Week 8 11 September	Managed Funds and Selection	8
Week 9 18 September	Superannuation and Retirement Management	9,12
Mid-semester break: 23 September – 2 October inclusive (2 Oct = Labour Day Public Holiday)		
Week 10 3 October	Insurance	11
Week 11 9 October	Estate Planning	14
Week 12 16 October	Ethics and Review	

The lecture schedule is subject to change without prior notice.

Tutorial program

All Concept Questions should be attempted as they are recapping the key concepts and they will not be included in the following.

Week	Exercise	Problems	Case Study
Week 2 31 July	1.1, 1.3, 1.4	1.4, 3.5	3.1
Week 3 7 August	5.3, 5.4	5.2, 5.3	
Week 4 14 August	10.1-4	10.1, 10.3-4	10.1
Week 5 21 August	Mid-term test (Week 1-3)		
Week 6 28 August	Exercises and problems on tax planning will be provided.		
Week 7 4 September	13.1-4	13.1-2	
Week 8 11 September	6.2-4	6.4-5, 7.7, 7.10	6.1, 7.2, 7.3
Week 9 18 September	8.1, 8.3-4	8.1, 8.4	8.1
Week 10 3 October	9.1-4, 12.1-3	9.1-4, 12.1-3	9.1, 12.1
Week 11 9 October	11.1-4	11.4-5	11.1
Week 12 16 October	14.1-4	14.1-2, 14.5	
Week 13 23 October	Review (The executive summary has to be finalized in the Moodle blogs by the day the student has her/his tutorial in Week 13)		

*Questions on chapter 4 will be provided by the tutors.