

## FIN 250 Final Project Guidelines and Rubric

### Overview

The final application paper project for this course requires the creation of a completed personal financial plan, incorporating analyses completed in prior modules and detailing your short- and long-range financial goals. The final step in developing the complete plan is to identify an investment portfolio of five stocks that captures your preference for risk and return. Based on return provided by this investment alternative and the number of years you currently have until retirement, you will determine the amount of savings required per year to fulfill your financial needs. The identification of any gaps between your needs and the current maximum you are able to presently devote to savings will provide you with the opportunity to mitigate inevitable challenges that result when financial needs are not met. You may then develop strategies and take steps such as enhancing your education and career path to increase earnings and realize cherished personal financial objectives.

Portions of your personal financial plan, as previously mentioned, will be supported by **two milestones**, which will be submitted at various points throughout the course to scaffold learning and ensure quality final submissions. These milestones will be submitted in **Modules Three and Five**. The final submission will occur in **Module Seven**.

**In these milestones and the summative assignment, you will demonstrate your mastery of the following course outcomes:**

- Comprehend at a practical level the importance and benefit of applying theoretical principles to individual and family financial planning techniques
- Calculate and present basic short-term financial analyses which complement the lifelong support of individuals and families
- Compare and apply various long-term planning strategies for assessing successful retirement, estate, and investing choices, including basic tax effects
- Investigate basic financial information to valuation techniques applicable to equity, bond, and other assets considered for inclusion in a personal investment portfolio
- Examine basic economic theory and apply to consumer spending and investment decisions for lifelong financial success

### Prompt

This assignment will require you to establish a personal financial plan, reflecting your learning to date in the course. Now that you have an appreciation for designating long-term and short-term goals, you will be able to plan appropriately and make adjustments to benchmark your intentions for an objective view of your present status, as well as outline steps to make necessary changes to achieve your goals.

Your completed financial plan will consist of all prior submissions completed in Modules Three and Five. Milestone One detailed short-term planning and day-to-day financial needs as well as the establishment of a personal emergency fund for emergent issues and needs. Milestone Two detailed long-term planning and future financial needs for assets such as a personal residence, vehicle, and education needs. As part of the final submission due in Module Seven, you will also



include any long-term health and retirement needs. This includes filling out the Worksheet for Funding Your Retirement Needs and the Your Personal Financial Goals Worksheet as listed below.

Your comprehensive, summative view of your personal financial plan should include supply of the following worksheets. These worksheets can be found within the MyFinanceLab Multimedia Library section of your MyFinanceLab. Review this [tutorial](#) for specific instructions on how to access these worksheets.

**Worksheet 1:** Personal Financial Goals Worksheet

**Worksheet 2:** Financial Objectives Worksheet

**Worksheet 4:** Balance Sheet Worksheet

**Worksheet 5:** Simplified Income Statement Worksheet

**Worksheet 11:** Worksheet for Calculating the Maximum Monthly Mortgage Loan for Which You Qualify

**Worksheet 9:** Worksheet for the Lease Versus Purchase Decision

**Worksheet 16:** Worksheet for Funding Your Retirement Needs

**Worksheet 20:** Your Personal Financial Goals Worksheet

The Worksheet for Funding Your Retirement Needs entails planning for retirement. You will likely identify a gap between your personal financial goals for a home, vehicle, and retirement planning versus the availability of your present resources. The objective is to develop an investment strategy, as a suggestion, with stocks of your choosing and/or mutual funds, which support your future financial needs.

If any of the prior spreadsheets or files require updates as per your recognition of dynamics in your personal financial plan or suggestion by your instructor, incorporate those changes and revise your spreadsheets.

In order to measure the amount required to fund a future mortgage, vehicle purchase, and retirement plan, the net present value of these amounts will have to be summarized. You will then need to take account of your present net assets from your Balance Sheet Worksheet; include the values of any retirement accounts you presently have, such as a 401(k). (For this exercise, presume that the amount in this savings plan will be static, and that you will draw all future needs from an investment portfolio that will be developed based on your risk preference.) This will allow you to determine the gap between your present wealth and your future needs.

Submit the completed spreadsheets to your instructor. In the Worksheet 20: Your Personal Financial Goals Worksheet, summarize and describe your intentions. Mention each spreadsheet, specifically, and indicate how the purchase of these new assets and investments will affect your prior plan submitted during Modules Three and Five. Describe your opportunities and challenges. Will you have to make changes? Indicate how you might revise your plans.

In an Excel spreadsheet, detail the returns on five selected stocks that you will use as the basis for creating wealth required to support your personal financial initiatives. Select five key stocks and determine their expected return from [finance.yahoo.com](http://finance.yahoo.com). Presume you would invest 20% equally in these stocks and average the return. Calculate how much you would have to deposit each year until retirement to fund all of your initiatives assuming the rate of return on these equities is constant. Describe your rationale for selecting the stocks in your portfolio, including your own risk tolerance and any considerations for diversification.



Complete a calculation of the annual amount required to support any gap between your present wealth and your future need, using the return derived from your portfolio as the realized return. This amount will be represented by an annual annuity funded by your savings drawn from your present income; assume that salary increases will be exactly offset by inflation and thus, your present salary will be static. (Recall that if you currently have automatic deposits to a 401(k), these will be redirected to the portfolio you have developed.) Determine whether you are able to deposit enough to fund all of your financial goals according to your calculations. Document this amount in a composition describing your findings. If there are any gaps in the total amount you are able to realize based on your current income, develop and document a plan to support the difference. Various alternatives may include finding another career position and increasing income, or purchasing a smaller home, curtailing retirement funds, or deriving savings elsewhere.

**Note:** *If you do not wish to disclose personal financial information to your instructor, please note to change your information or provide an alternative name with the information realistically portrayed. In doing so, the experience of preparing a financial plan for another individual will prepare you to accurately complete your own plan when you are ready. Also, do not disclose the information of an individual other than yourself; remember to keep private information private.*

## Milestones

### Milestone One: Short-Term Personal Financial Goals

In this milestone, you will complete four spreadsheets: Worksheet 1: Personal Financial Goals; Worksheet 2: Financial Objectives; Worksheet 4: Balance Sheet; and Worksheet 5: Simplified Income Statement. Submit the completed spreadsheets to your instructor. In the Worksheet 2 file, append the length of the file by writing a short summary (2–3 pages) of your observations of this exercise in identifying personal financial challenges and opportunities while completing these spreadsheets. Mention each spreadsheet, specifically, and indicate specific line items of concern to you. **This milestone is graded with the Milestone One Guidelines and Rubric.**

### Milestone Two: Long-Term Personal Financial Goals

Now that you expanded your knowledge regarding long-term financing for a home or vehicle purchase as well as any regulatory or recommended insurance requirements, consider the purchase of a new home, vehicle, or both. You may even contemplate the future purchase of a vacation home, or a recreational vehicle, and how these would change your financial plan. In this milestone, complete one or both of the following spreadsheets: Worksheet 11: Worksheet for Calculating the Maximum Monthly Mortgage Loan for Which You Qualify and Worksheet 9: Worksheet for the Lease Versus Purchase Decision. Submit the completed spreadsheet(s) to your instructor. In a separate Word file, indicate your intentions in completing the exercise. Mention each spreadsheet, specifically, and indicate how the purchase of these new assets will affect your prior plan submitted during Module Three and describe the change. **This milestone is graded with the Milestone Two Guidelines and Rubric.**

### Final Project Submission: Personal Financial Plan

Your final project is a completed personal financial plan that integrates your previous financial plan submissions in Milestones One and Two, as well as retirement planning and funding of your needs through investments in mutual funds or equities. This last assignment will require you to revise your personal financial plan, once again, reflecting your cumulative learning in the course, and to develop a stock investment portfolio. **The final project is graded with the Final Project Guidelines and Rubric.**

## Deliverable Milestones

Milestone	Deliverables	Module Due	Grading
1	Short-Term Personal Financial Goals	Three	Graded separately; Milestone One Guidelines and Rubric
2	Long-Term Personal Financial Goals	Five	Graded separately; Milestone Two Guidelines and Rubric
	Final Project: Personal Financial Plan	Seven	Graded separately; Final Project Guidelines and Rubric

## Final Project Rubric

**Requirements of Submission:** Written components of this project completed in Modules Three and Five will accompany the complete submission of the financial plan in Module Seven. The final submission should be 10–12 pages in length, encompassing all prior submissions from milestones in Modules Three and Five, plus the Stock Portfolio Analysis in Module Seven. Total submission therefore includes eight completed spreadsheets plus two to four pages of commentary for the qualitative review and observations of your plan. There should be an additional page that includes discipline-appropriate citations.

Critical Elements	Exemplary (100%)	Proficient (85%)	Needs Improvement (55%)	Not Evident (0%)	Value
<b>Personal Financial Goals</b>	Meets “Proficient” criteria and the details are well-qualified specific to the goals	Describes details that are adequately qualified for the goals	Describes some details but lacks specificity with respect to the goals	Does not describe personal financial goals	3
<b>Financial Objectives</b>	Meets “Proficient” criteria and the details are well-qualified specific to the plan	Describes details that are adequately qualified for the plan	Describes some details but lacks specificity with respect to the plan	Does not describe personal financial plan	3
<b>Balance Sheet</b>	Meets “Proficient” criteria with respect to calculations and elements of the balance sheet; minimal or no errors	Provides adequate calculations and elements of the balance sheet; some errors	Provides calculations but lacks some elements of the balance sheet; some errors	Does not adequately summarize a personal balance sheet	3
<b>Simplified Income Statement</b>	Meets “Proficient” criteria with respect to calculations and elements of the income statement; minimal or no errors	Provides adequate calculations and elements of the income statement; some errors	Provides calculations but lacks some elements of the income statement; some errors	Does not adequately summarize a personal income statement	3
<b>Calculating the Maximum Monthly Mortgage Loan</b>	Meets “Proficient” criteria with respect to calculations and elements of the mortgage calculator; minimal or no errors	Provides adequate calculations and elements of mortgage; some errors	Provides calculations but lacks some elements of the mortgage calculator are missing; some errors	Does not adequately summarize a completed mortgage calculator	3

<b>Lease Versus Purchase</b>	Meets “Proficient” criteria with respect to calculations and elements of the vehicle decision spreadsheet; minimal or no errors	Provides adequate calculations and elements of the vehicle decision spreadsheet; some errors	Provides calculations but lacks some elements of the vehicle decision spreadsheet; some errors	Does not adequately summarize a vehicle decision spreadsheet	3
<b>Funding Your Retirement Needs</b>	Meets “Proficient” criteria with respect to calculations and elements of the retirement planning spreadsheet; minimal or no errors	Provides adequate calculations and elements of the retirement planning spreadsheet; some errors	Provides calculations but lacks some elements of the retirement planning spreadsheet; some errors	Does not adequately summarize the retirement planning spreadsheet	25
<b>Your Personal Financial Goals</b>	Meets “Proficient” criteria and the details are well-qualified specific to the summarized goals	Describes details that are adequately qualified for the summarized goals	Describes some details but lacks specificity with respect to the summarized goals	Does not describe summarized personal financial goals	25
<b>Develop Stock Investment Portfolio</b>	Meets “Proficient” criteria with respect to calculations of the portfolio and required annuity investment; minimal or no errors	Provides adequate criteria with respect to calculations of the portfolio and required annuity investment; some errors	Provides calculations but lacks some criteria with respect to calculations of the portfolio and required annuity investment; some errors	Does not adequately summarize criteria with respect to calculations of the portfolio and required annuity investment	25
<b>Articulation of Response</b>	Submission is free of errors related to citations, grammar, spelling, and syntax and is presented in an easy-to-read format	Submission has no major errors related to citations, grammar, spelling, or syntax	Submission has major errors related to citations, grammar, spelling, or syntax that negatively impact readability	Submission has critical errors related to citations, grammar, spelling, or syntax that prevent understanding of ideas	7
<b>Earned Total</b>					<b>100%</b>