



APPLIES TO ACADEMIC YEAR 2014/2015

SFU 0593 Personal Financial Planning and Legal Consequences II

Programme

Bachelor of Management, Banking and Insurance

Responsible for the course

Dag Jørgen Hveem

Department

Department of Accounting - Auditing and Law

Term

According to study plan

ECTS Credits

15

Language of instruction

Norwegian

Introduction

Learning outcome

Acquired knowledge

- Gain an insight into personal finance problems related to credit appraisals and problematic commitments
- Gain a deeper insight (see also Personal Financial Planning and Consequences part I) into relevant legal problems relating to personal finance counselling.
- Gain an understanding of the legal issues relating to law of mortgages and pledges, property law, debt settlement and debt counselling
- Gain a basic understanding of the rules concerning relevant legal areas.
- Understand and explain people's behaviour based on central models within behavioural economics
- Understand and explain customer behaviour based on central concepts within behavioural economics such as distractions linked to possibilities, expectations, heuristic methods in financial decisions, the sunk cost effect and financial choices that have long-term consequences (e.g. saving and credit purchase).

Acquired skills

- Be able to calculate and analyse profitability in personal finance issues
- Be able to understand and apply rules of law within the main legal areas in contracts, banking and credit law
- Be able to apply legal competence to give advice to personal customers on relevant legal problems
- Be able to contribute to finding solutions to problems by applying relevant rules
- Be able to apply theories from behavioural economics in customer service

Reflection

- Create awareness around the role of personal finance counsellor in terms of customers and own organization
- Create a will for openness around issues that are important for the customer's choice of solution in private finance questions
- Create awareness around the customer's situation and risk in a commitment
- Have an understanding of the ethical and legal problems of these areas

Prerequisites

Basic knowledge of finance and Personal Financial Planning and Legal Consequences part I

Compulsory reading

Books:

Ariely, Dan. 2009. Predictably irrational : the hidden forces that shape our decisions. Rev. and exp. ed. Harper
Hveem, Dag Jørgen ... [et al.]. 2013. Personlig økonomi 2013/2014. Cappelen akademisk. Utvalgte kapitler.

Other:

2000. Bankjus del 1. Handelshøyskolen BI

2000. Bankjus del 2. Handelshøyskolen BI

Fagerstrøm, Asle. 2013. Introduksjon til adferdsøkonomi, kompendium Handelshøyskolen BI.

Gynnild Eldrid. 2010. Kompendium i investeringsanalyse. Handelshøyskolen BI

Hveem, Dag Jørgen (red). Siste utgave. Kompendium i økonomi og jus. Handelshøyskolen BI. (Kap. 1, 2, 3, 4, 6,

8, 9)

Hveem, Dag Jørgen. Privatøkonomi med jus del II: Studieguiden. 2014/2015. Handelshøyskolen BI

Recommended reading

Course outline

The course is based on the topics covered in Personal Financial Planning and Legal Consequences part I. The following topics will be discussed:

- Purchase and financing of home and consumer durables, including an assessment of company car versus own car
- Loan terms, loan costs, loan types and creditworthiness
- Effective interest on various types of loan
- Assessment of risk and stipulation of interest terms for loans
- Profitability for investment projects under various conditions as regards taxation and price increases, including the question of renting or owning a house
- Yield calculations and risk assessments for financial investments
- Credit appraisal and handling of loan applications
- Follow-up of problem cases
- Strategic considerations in choice of market
- Heuristics in decisions, decisions with long-term consequences, how feelings affect decisions

The following legal areas are discussed in connection with the above mentioned topics:

- Financial and legal effects of dissolution of marriages and non-marital cohabitation
- Contract law
- Housing law, including various forms of ownership and various types of houses as mortgaged property
- The purpose of the debt settlement act, application, terms and effects
- Right of guarantee, including disclosure and disavowal requirements, rules of law for safeguarding and by cessation of the guarantee
- Law of property and law of mortgages and pledges, including the importance of title registration (the positive and negative credibility of the Land Register, legal protection and priority), common rules on mortgages, mortgages created by agreement on property, housing cooperative flats, securities and security for unpaid purchase
- Collection of money claims pursuant to the debt collection act and the enforcement act, interest on overdue payment and limitation

Computer-based tools

Itslearning.

Learning process and workload

The course consists of lectures, hand-in assignments on the learning platform Its learning and self-tuition of syllabus.

5 compulsory written papers must be passed in order to pass the course and get a final grade. The Banner codes for these courses are SFU 05932, SFU 05933, SFU 05934, SFU 05935 and SFU 05936.

Recommended workload for the students:

Aktivitet	Workload
Attendance at lectures	28
Preparations for/work on hand-ins (5 compulsory hand-ins)	52
Work on syllabus, preparation for exam	260
Exam preparations	60
Total recommended workload	400

Examination

A five-hour individual written exam concludes the course.

Examination code(s)

SFU 05931 - written exam which accounts for 100% of the grade in SFU 0593, 15 ECTS

Examination support materials

BI-defined exam calculator (TEXAS INSTRUMENTS BA II Plus™), interest tables and code of laws..

Re-sit examination

A re-sit is held in connection with the next scheduled exam in the course.

Additional information