Agenda: February 8, 2007

Finance 442—Financial Planning

1. Handouts

   Lecture notes for Chapter 2
   Lee Case Questions: Part 1

2. Do you know what these terms mean?

   Solvency ratio
   Liquidity ratio
   Savings ratio
   Debt service ratio

3. Items for Discussion (Chapter 2)

   • The role of financial statements and special planning concerns
   • Using professional financial planners
   • Personal balance sheet
   • Personal income and expense statement
   • Using ratios to interpret personal financial statements
   • Using budgets to monitor and control spending

4. In-class Exercises (Chapter 2)

   • Financial Planning Exercises: #4, #6 -- #9.

5. Homework (Chapter 2)

   Xtra! Quiz: chapter 2

   End of Chapter Questions
   • Financial Planning Exercises: #1, #2, #3, #10
   • Applying Personal Finance
   • Contemporary Case Applications: #2.1

For Next Time, Read Chapter 3