

ECON A110: ECONOMICS OF CONSUMER FINANCE

Item	Value
Curriculum Committee Approval Date	03/20/2024
Top Code	220400 - Economics
Units	3 Total Units
Hours	54 Total Hours (Lecture Hours 54)
Total Outside of Class Hours	0
Course Credit Status	Credit: Degree Applicable (D)
Material Fee	No
Basic Skills	Not Basic Skills (N)
Repeatable	No
Grading Policy	Standard Letter (S), • Pass/No Pass (B)
Associate Arts Local General Education (GE)	<ul style="list-style-type: none"> • OC Social/Economic Institutions - AA (OD2) • OC Life Skills - Theory - AA (OE1)
Associate Science Local General Education (GE)	<ul style="list-style-type: none"> • OCC Social/Behavioral Sci - AS (OSD)
California State University General Education Breadth (CSU GE-Breadth)	<ul style="list-style-type: none"> • CSU D2 Economics (D2) • CSU E1 Lifelong Understanding (E1)

Course Description

An applied approach to the problems and possibilities confronting the consumer in today's economy. Emphasis is placed on the development of skills in personal financial planning: decision making, use of credit and principles of saving and investment. Attention is given to the problems in housing, transportation, health services, and insurance. Issues of personal taxation, government regulation, and environmental protection are considered in relation to consumer interest. Transfer Credit: CSU.

Course Level Student Learning Outcome(s)

1. Identify essential considerations in making informed decisions in the areas of consumer spending and borrowing.
2. Evaluate their personal budget and savings plan with respect to achieving stated short term and long term personal financial goals.
3. Distinguish among the various options for consumers to place their money in banks, savings, other financial instruments or investments.

Course Objectives

- 1. Explain the role of the consumer in the modern economy.
- 2. Explain in general terms how values and goals affect the choices of the individual consumer.
- 3. Explain the workings of supply and demand as they relate to the consumer.
- 4. Explain the necessity of financial planning and budgeting.
- 5. Identify rational and irrational appeals in advertising.
- 6. Explain the role of advertising in the economy.

- 7. Identify examples of advertising appealing to five different emotional needs
- 8. Identify 3 problems with obtaining consumer credit.
- 9. Analyze positive and negative aspects of consumer ownership.
- 10. Explain why the decision about where to purchase or rent a home ultimately depends on the individuals values and goals.
- 11. Explain how the consumers choice of saving strategies will depend on the individuals values and goals.
- 12. Analyze how the consumers choice of type of insurance policies will depend on various factors including the individuals values and goals.
- 13. Explain how the consumers choice of investment vehicles will depend on the individuals values and goals.
- 14. Analyze the significance of consumer credit legislation.
- 15. Define and give examples showing what it means to be an informed consumer.

Lecture Content

- I. The Consumer in the Economy
 - A. The changing role of the consumer
 - B. Consumer planning and decision making
 - C. Consumer problems today
 - D. Values, goals and choices
 - E. Supply and demand
 - F. Financial planning and budgeting
 - G. Principles of wise buying
 - H. Sources of information for consumers
- II. Effective Consumer Spending
 - A. Understanding the effects of advertising
 1. Types of advertising appeals
 - a. Rational appeals
 - b. Emotional appeals
 2. Individual responses to advertising
 - B. Buying clothing
 - C. Buying food
 - D. Money spent on services
 1. Repair services
 2. Professional services
 3. Institutional services
 4. Transportation services
 5. Personal services
 - E. Consumer Credit
 1. Problems
 2. Sources and types of consumer credit
 - b. 3. Use of credit
 4. The growth of personal credit
 5. Costs of Credit
 - a. Dollar cost
 - b. (1) The Annual Percentage Rate (APR)
 - (a) Difference between APR and other measures
 - (b) Importance of APR
 6. Consumer credit legislation
 7. Government information sources
 - F. Housing
 1. The problems
 2. Comparing how and where Americans live
 3. Factors affecting where you live
 4. Types of housing available
 5. Comparing renting versus buying
 - a. Including all significant costs of home ownership in computations
 - b. Tax benefits of home ownership
 6. Choosing an apartment
 7. Special factors to consider in Purchasing
 8. Financing the purchase of a home
 9. The process and costs of buying
 - a. Including all significant costs of home ownership in computations
 - b. Tax benefits of home ownership
 - G. Buying furniture and appliances
 - III. The Consumer in The World of Technology
 - A. Buying a computer
 1. Do you really need a computer.
 2. What type of computer is best for you.
 - a. Advantages of Windows-based models
 - b. Advantages of Macintosh
 3. What peripherals do you need.
 - a. Internet access
 - (1) What speed do you need.
 - (a) advantages of high speed
 - (b) advantages of low-speed
 - (2) Ways of decreasing monthly costs
 - b. Monitor - the

trade offs c. CD ROM drive d. Floppy disk drive nb e. Printer IV. Consumer Planning for the Future A. Consumer savings B. Investments 1. Security versus rate of return - the eternal trade-off 2. Choices available a. Money market accounts b. Mutual funds - types and advantages of each c. Stocks d. Bonds e. Real estate investment trusts f. Other bank investments: NOW accounts, Certificates of Deposit (CDs), commercial paper 3. Your investments should reflect your values and goals

Method(s) of Instruction

- Lecture (02)
- DE Online Lecture (02X)

Instructional Techniques

1. Lecture and explanation of course topics and concepts.
2. Instructor verbal feedback to student questions in lecture and written feedback on chalkboard, to emphasize concepts.
3. In-class discussions involving student input and instructor feedback.
4. In-class simulations in which students play the role of consumers and sellers purchasing and selling goods and services.
5. Student written work, including examinations and reports, and instructor evaluations.
6. Objective evaluation of student achievement by means of exams and written reports.

Reading Assignments

1. Students will write two brief reports analyzing a current issue facing American consumers.
 - a. Papers will be 1-1/2 pages in length, double-spaced, typed.
 - b. Students will interact with print and non-print media in identifying issues.
2. Students will write a report answering this question: How can I become a more responsible consumer.
 - a. They will analyze concepts acquired in class, utilizing independent research.
 - b. They will demonstrate skill in interpreting the role of the consumer in America.

Writing Assignments

1. Students will write two brief reports analyzing a current issue facing American consumers.
 - a. Papers will be 1-1/2 pages in length, double-spaced, typed.
 - b. Students will interact with print and non-print media in identifying issues.
2. Students will write a report answering this question: How can I become a more responsible consumer.
 - a. They will analyze concepts acquired in class, utilizing independent research.
 - b. They will demonstrate skill in interpreting the role of the consumer in America.

Out-of-class Assignments

1. Students will write two brief reports analyzing a current issue facing American consumers.
 - a. Papers will be 1-1/2 pages in length, double-spaced, typed.
 - b. Students will interact with print and non-print media in identifying issues.
2. Students will write a report answering this question: How can I become a more responsible consumer.
 - a. They will analyze concepts acquired in class, utilizing independent research.
 - b. They will demonstrate skill in interpreting the role of the consumer in America.

Demonstration of Critical Thinking

1. Written student reports on aspects or applications of consumer economics.
2. Examinations described in "Instructional Methodologies."
3. Formal and informal feedback from students in classroom.

Required Writing, Problem Solving, Skills Demonstration

1. Written student reports on aspects or applications of consumer economics.
2. Examinations described in "Instructional Methodologies."
3. Formal and informal feedback from students in classroom.

Eligible Disciplines

Economics: Masters degree in economics OR bachelors degree in economics AND masters degree in business, business administration, business management, business education, finance, or political science OR the equivalent. Masters degree required.

Textbooks Resources

1. Required Reiboldt, W.. Consumer Economics , 18 ed. Kendall Hunt, 2020 Rationale: rationale

Other Resources

1. Selected handout materials