2012-2013 Assessment Report  
Program: Finance, BSBA

College of Business

Finance

Finance, BSBA

Expected Outcome 1
Students will be able to: 1) compute the yields and assess the interest rate and market risk of fixed income and equity securities, 2) compute the various component costs and overall cost of capital – including application of the Capital Asset Pricing Model, 3) compute project cash flows and apply appropriate decision criteria, 4) calculate the value of stocks and bonds, including estimating the fundamental value of a stock using the growth model, and 5) compute the total risk, systematic and unsystematic risk of a stock portfolio.

Assessment methods

Method: Exam questions in FINC 3630 and FINC 3640
Exam questions include multiple choice, short answer, and open-ended problems. For expected outcome #3, the exam question was a capital budgeting problem in which students were required to calculate project free cash flows, calculate net present value or other acceptable investment criteria, and decide whether the firm should invest.

Findings:
87.8% of students in FINC 3640 were able to compute the yields and assess interest rate risk and market risk of fixed income and equity securities (expected outcome #1); 98.8% of students in FINC 3640 were able to compute the required rate of return using the Capital Asset Pricing Model (expected outcome #2); Students in FINC 3630 scored an average of 75.9% on final exam questions testing their ability to compute project cash flows and apply appropriate decision criteria (expected outcome #3); 84.1% of students in FINC 3640 were able to calculate the value of stocks and bonds including estimating the fundamental value of a stock using the growth model (expected outcome #4).

How did you use findings for improvement?
Students failed to meet the target assessment of 80% for expected outcome #3. The faculty member teaching the assessed course will evaluate the coverage of this material and the way in which it is presented. We will continue to track student achievement to identify whether this was a single semester outlier. If the benchmark continues to be missed, then faculty will determine how to increase emphasis and coverage of the topic.

Additional comments:
None.
Method: Written assignments in FINC 3640
Written assignments include the computation of the total risk, systematic and unsystematic risk of a stock portfolio.

Findings:
84.4% of students in FINC 3640 scored a 75% or above on the written assignment (expected outcome #5).

How did you use findings for improvement?
Students met target assessment of 80%. We provide students more detailed instructions to understand the purpose of the project that deals with the relation between risk and expected return.

Additional comments:
None.

Method: Senior Survey
Seniors are asked to evaluate a number of specific learning objectives in a survey.

Findings:
In 2013, among 43 (25.4% of 169 Finance graduates) of senior FINC majors responding to the Senior Survey, 84.3% reported a score of 4.0 or higher on a 5-point rating scale where 5=strongly agree and 1=strongly disagree when asked whether the FINC degree program effectively prepared them for effective performance in their career field. 84.2% reported a score of 4.0 or higher on a 5-point rating scale where 5=strongly agree and 1=strongly disagree when asked whether the FINC degree program effectively prepared them to use quantitative methods in decision making.

How did you use findings for improvement?
Students met target assessment of 80%. We will keep reviewing student perceptions regarding the effectiveness of the degree program to ensure that we meet or exceed our goal.

Additional comments:
None.
Expected Outcome 2
Students will be able to 1) recognize and understand the implications of an efficient market, and 2) assess the relative impact of different bond provisions.

Assessment methods

**Method: Team project in FINC 3640**
Team project requires a comprehensive understanding of an efficient market.

**Findings:**
96.7% of students in FINC 3640 scored a 75% or above on the team project (expected outcome #1).

**How did you use findings for improvement?**
Students met target assessment of 80%. We will provide various learning tools including lecture slides and video clips in order to effectively understand students the concept of market efficiency and the implications of efficient financial markets.

**Additional comments:**
None.

**Method: Exam questions in FINC 3640**
Exam questions include multiple choice, short answer, and open-ended problems.

**Findings:**
93.9% of students in FINC 3640 were able to assess the relative impact of different bond provisions (expected outcome #2).

**How did you use findings for improvement?**
Students met target assessment of 80%. We will continue to monitor student achievement.

**Additional comments:**
None.

**Method: Senior Survey**
Seniors are asked to evaluate a number of specific learning objectives in a survey.

**Findings:**
In 2013, among 43 (25.4% of 169 Finance graduates) of senior FINC majors responding to the Senior Survey, 87.1% reported a score of 4.0 or higher on a 5-point rating scale where 5=strongly agree and 1=strongly disagree when asked whether the FINC degree program effectively prepared them to understand content in their career field. 76.9% reported a score of 4.0 or higher on a 5-point rating scale where 5=strongly agree and 1=strongly disagree when asked whether the FINC degree program effectively prepared them to understand the influence of political and social issues on business decisions.
How did you use findings for improvement?
We did not meet the target of 80% when students were asked whether the FINC degree program effectively prepared them to understand the influence of political and social issues on business decisions. We will increase emphasis on the implications of an efficient market and the relative impact of different bond provisions.

Additional comments:
None.
Expected Outcome 3
Students will be able to identify alternative sources of publicly available financial data and utilize information to address financial issues.

Assessment methods

Method: Computer assignments in FINC 3630
Computer assignments will require students to download publically available data and show proper use of various Excel functions typically used in financial analysis. Specifically, the assignment requires students to download stock price and index data from the Yahoo! Finance web page. Then, using the downloaded data, sort it, calculate monthly holding period returns, as well as averages, standard deviations, correlation, covariance, and beta.

Findings:
In 2013, 80.0% of 40 students completing a computer assignment received a score of 2.4 (80 percent) or higher on a 3 point computer assignment that tested their ability to obtain security prices relative to an index. The average score for students was 2.6 with a median score of 2.7.

How did you use findings for improvement?
Students met the targeted assessment level of 80%. We will continue to monitor student achievement.

Additional comments:
None.

Method: Senior Survey
Seniors are asked to evaluate a number of specific learning objectives in a survey.

Findings:
In 2013, among 43 (25.4% of 169 Finance graduates) of senior FINC majors responding to the Senior Survey, 86.8% reported a score of 4.0 or higher on a 5-point rating scale where 5=strongly agree and 1=strongly disagree when asked whether the FINC degree program effectively prepared them to process information and make effective decisions.

How did you use findings for improvement?
Students met target assessment of 80%. We will continuously encourage students to identify alternative sources of publicly available financial data and utilize information when they address financial issues.

Additional comments:
None.
**Expected Outcome 4**
Students will be able to effectively communicate information on financial issues so that it can be understood by individuals with diverse backgrounds, capabilities and interests.

**Assessment methods**

**Method: Written assignments or presentations in FINC 3700**
Either written assignments or presentations will be used to gauge students’ communication skills.

**Finding:**
83.33% of students in FINC 3700 scored an 80% or above on the written assignment.

**How did you use findings for improvement?**
Students met targeted assessment of 80%. We will continue to track student achievement.

**Additional comments:**
The assignment chosen for assessment was the written portion of a mid-semester homework assignment that included the following questions:

1. Why are mortgage markets studied as a separate capital market?
2. Explain the difference between a federally insured mortgage and a conventional mortgage.
3. How did the U.S. secondary mortgage markets evolve?
4. What is a pass-through security?
5. What is the Government National Mortgage Association? How does this organization play a role in secondary mortgage markets?
6. What is the Federal National Mortgage Association? How does this organization play a role in secondary mortgage markets?
7. Describe a collateralized mortgage obligation. How is a CMO created?

Student answers were graded based on how well they conveyed the main points required to show a thorough understanding of the question topic. Possible points varied from a low of three points (Question 4) to a high of ten points (Question 3) based on the amount of information required to answer the question.

**Method: Senior Survey**
Seniors are asked to evaluate a number of specific learning objectives in a survey.

**Findings:**
In 2013, among 43 (25.4% of 169 Finance graduates) of senior FINC majors responding to the Senior Survey, 71.8% reported a score of 4.0 or higher on a 5-point rating scale where 5=strongly agree and 1=strongly disagree when asked whether the FINC degree program effectively prepared them to communicate information and ideas orally. 66.7% reported a score of 4.0 or higher on a 5-point rating scale where
5=strongly agree and 1=strongly disagree when asked whether the FINC degree program effectively prepared them to communicate information and ideas in writing.

**How did you use findings for improvement?**

We did not meet the target of 80% when students were asked whether the FINC degree program effectively prepared them to communicate information and ideas orally and whether the FINC degree program effectively prepared them to communicate information and ideas in writing. We will use the resources that the Office of Professional and Career Development provide to improve students’ communication skills.

**Additional comments:**

None.
Expected Outcome 6
Students will be able to prepare supporting financial calculations using spreadsheet software for business decisions.

Assessment methods

Method: Computer assignments in FINC 3630
Computer assignments will show proper use of various Excel functions typically used in financial analysis. These include calculating the present and future value of even and uneven cash flows, descriptive statistics (e.g., sum, average, standard deviation), financial metrics (e.g., net present value, internal rate of return, modified internal rate of return), graphs, and simple regression analysis.

Findings:
Of the 34 students completing 5 computer assignments in FINC 3630, 88.2% scored collectively above a 75% on the assignments.

How did you use findings for improvement?
Students met target assessment of 80%. We will encourage students to participate in Excel seminars in the Office of Professional and Career Development.

Additional comments:
None.

Method: Senior Survey
Seniors are asked to evaluate a number of specific learning objectives in a survey.

Findings:
In 2013, among 43 (25.4% of 169 Finance graduates) of senior FINC majors responding to the Senior Survey, 76.9% reported a score of 4.0 or higher on a 5-point rating scale where 5=strongly agree and 1=strongly disagree when asked whether the FINC degree program effectively prepared them to demonstrate spreadsheet analysis skills related to field of study.

How did you use findings for improvement?
We did not meet the target of 80% when students were asked whether the FINC degree program effectively prepared them to demonstrate spreadsheet analysis skills related to field of study. We will encourage students to participate in Professional Development seminars in the Office of Professional and Career Development.

Additional comments:
None.