

Student Learning Outcomes Committee
Department/Program Assessment Results Report

Department Finance____ Degree____BSBA (Finance)_____ Date Submitted____March 20, 2007_____

The purpose of this report is to communicate the assessment activities that have taken place during the last academic year, as well as to convey how the results are being used *to improve student learning at the program level*. The report should be kept as succinct as is possible, while answering the following questions clearly and conscientiously:

I. Drawing upon the goals and objectives contained in the department/program student learning assessment plan, what was the focus of the department's student learning assessment for the past academic year?

A. Please see Appendix 1.

B. The primary focus of the assessment efforts in Fall 2006, and Spring 2007, respectively, were on

Goal 2: Value firms and projects

SLO: Apply the contingent claims approach to valuation

Goal 1: Assess a firm's financial condition

SLO: Create and interpret cash flow statements

II. What information was collected, how much, and by whom?

In Fall 2006, a question on Professor Song's final exam in Finance 325: Intermediate Finance (required course for finance majors) was devoted to a problem applying a contingent claims valuation approach or a real options approach (in the context of the exam question). The results on this question were disappointing: only 5 (out of 33 students) got a high pass; the average score was 1.5 (with 5 considered a pass grade out of 10 points).

In Spring 2007 Professor Song gave a question on his Finance 325 midterm exam covering cash flow analysis. The test problem required students to develop a cash flow table. Of the 28 students, 9 students scored a high pass; 5 students received a pass score and 4 students were considered to have a failing grade (less than 4 points).

III. What conclusions were drawn on the basis of the information collected?

The performance on the two questions suggests that:

(i) students have difficulty in understanding and applying the contingent claims valuation approach even in highly structured situations; but

(ii) students exhibit acceptable proficiency in cash flow analysis (an important component of the practice of financial analysis).

IV. How will the information be used to inform decision-making, planning, and improvement?

Our undergraduate students may need considerably more exposure to unstructured problem-solving exercises (in addition to structured problem-solving exercises where component data are easily identifiable) especially in the area of contingent claims analysis. The Finance Department will undertake a review of the 'corporate finance' course sequence: Finance 323, Finance 325, and Finance 423 in Spring and Fall 2007 to address the issues identified in III.

Report completed by____Nik Varaiya, Chair; Dept. of Finance_____ Date____3-20-07_____

Appendix 1
Goals and Student Learning Outcomes: BS Finance Major

	Scheduled for assessment	Assessment method
Goal 1: Assess a firm's financial condition.		
Learning Outcomes: 1. Create and interpret financial statements 2. Create and interpret cash flow statements	2007-08	FIN 423 case and/or FIN 325 exams
Goal 2: Value firms and projects		
Learning Outcomes: 1. Determine discount/hurdle rates 2. Evaluate investments in working capital and long-term assets 3. Demonstrate proficiency in valuation techniques, both DCF (discounted cash flow) and non-DCF 4. Apply the contingent claims approach to valuation	2006-07	FIN 325 exams
Goal 3: Learn to determine a firm's financing needs		
Learning Outcomes: 1. Demonstrate proficiency in pro-forma analysis 2. Determine composition of short and long term funds 3. Determine composition of sources of funds	2006-07	FIN 423 cases
Goal 4: Learn security analysis and portfolio management		
Learning Outcomes: 1. Apply models for Pricing stocks, bonds, and derivative instruments 2. Construct optimal portfolios 3. Design hedging strategies to Manage market risks (e.g., currency, commodity, economic and political)	2007-08	FIN 421 project (SLOs 1, 2) FIN 427 exam (SLO 3)
GOAL 5: Evaluate the economic, legal, regulatory, and industry environment, domestic and international, in which firms operate		
Learning Outcomes: 1. Perform Competitive and Comparative Analyses of industries 2. Describe Global capital markets	2008-09	FIN 423 or Fin 421 (SLO 1) FIN 329 (SLO 2)