

Assessment Plan for Department of Finance

Statement of Objectives

Our goal is to prepare our students for successful careers in corporate finance, investments, insurance, real estate, banking, and financial services. We also strive to ensure that they will be prepared and able to “hit the ground running.” If successful, our students will have the five key abilities (A1–A5):

- A1. Students will be able to apply principles of finance to quantitative problems.
- A2. Students will be able to apply principles of finance to conceptual problems.
- A3. Students will be able to use financial technology to gather information and conduct financial analysis.
- A4. Students will be able to analyze complex business situations and make sound judgments and recommendations from the finance perspective.
- A5. Students will be able to communicate financial analysis clearly in writing, well crafted exhibits, and oral presentations.

Assessment Plan

We base direct assessment on indicators that demonstrate student abilities throughout our curriculum. This is done both in individual courses and through out of class opportunities. Within our required courses we use specific examination questions to indicate abilities A1 and A2 (above). We use write-ups and presentations of cases, projects, and other large scale work in our elective courses to indicate abilities A3, A4, and A5. We will rely on both faculty members and finance professionals from outside academia in assessing student work.

Indirect assessment will be made based on the nature and propensity of student summer internships in finance in the summer prior to graduation and based on the jobs taken upon graduation. We will also survey frequent employers of students to get their opinion of student preparedness. This will occur on an annual basis.

Collection of Assessment Data and Curricular Feedback

Data will be collected by the DEO who will assign a group of faculty members to analyze the outcomes data and summarize the findings. Outcomes assessed in both required and elective courses will be compared to ascertain students’ progress as they move through the curriculum. In conjunction with the DEO, recommendations of curricular changes to address any concerns will be brought to the department faculty. While we will collect assessment information on an ongoing basis, formal compilation will be done no less than every three years. Different courses/instructors will be chosen from year to year. The purpose of assessment is not to gauge a particular class’s or instructor’s performance, but rather gauge the effectiveness of the curriculum by examining students’ abilities as they progress through the curriculum.

Assessment Details.

The following table summarizes where and how we will assess indicators of abilities A1–A5.

<i>Student Ability</i>		<i>Where in curriculum:</i>	
		<i>Required Courses</i>	<i>Upper Level Courses</i>
A1	<i>Indicators Assessor(s) Evaluation Criteria</i>	Test Questions Faculty % correct	Cases, Projects, Tests Faculty & Practitioners Rubrics
A2	<i>Indicators Assessor(s) Evaluation Criteria</i>	Test Questions Faculty % correct	Cases, Projects, Tests Faculty and/or Practitioners Rubrics
A3	<i>Indicators Assessor(s) Evaluation Criteria</i>		Cases, Projects Faculty & Practitioners Rubrics
A4	<i>Indicators Assessor(s) Evaluation Criteria</i>		Cases, Projects Faculty & Practitioners Rubrics
A5	<i>Indicators Assessor(s) Evaluation Criteria</i>		Cases & Projects Faculty & Practitioners Rubrics

Detail on Indicators

Test Questions for A1 and A2

For A1 and A2 indicators should evaluate student proficiency in applying the principles of finance to quantitative test questions (A1) and conceptual test questions (A2). For cases and projects rubrics will be used to assess the quantitative and qualitative components of students' works.

The principles of finance include:

1. Time value of money
2. Relation between risk and return
3. Efficient market hypothesis
4. Arbitrage
5. Agency theory
6. Option theory
7. Impact of financial market integrity on society

For test questions, we recommend faculty members of required courses identify five or more quantitative questions and five or more conceptual questions over the course to be used as indicators of A1 and A2. These questions may appear on the midterm exam, final exam, and quizzes. While the faculty member may put these questions on any of the student tests, it is recommended that at least half of all questions appear on the final exam or on tests towards the end of the course. Questions should be focused in nature, or be imbedded as part of complex questions so that a simple correct or incorrect response indicates success or failure. As stand alone questions, a proficient student should be able to answer individual questions in less than two minutes. At the end, faculty report something like the following:

<i>Principal</i>	<i>A1 or A2</i>	<i># of student/question observations (total)</i>	<i># of correct responses</i>
Time value of money	A1	180	135
Options	A1	120	85
Agency theory	A2	60	45
Risk & return	A1	60	49
Risk & return	A2	180	138

In this hypothetical example there are 60 students who each had 3 questions on TVM, 2 on options, 1 on agency theory and 4 on risk and return (1 quantitative and 3 conceptual).

Rubrics for A1 – A5: Cases and Projects

For cases and projects faculty and/or practitioners use the following rubrics:

<i>Student Ability</i>	<i>Rubric</i>	<i>Standards for Student Proficiency</i>		
		<i>Unacceptable</i>	<i>Acceptable</i>	<i>Exceptional</i>
A1	Work applies principles of finance correctly to quantitative analysis	Frequent errors or unacceptable mistakes indicative of a lack of understanding of core principle(s).	Some errors, but demonstrates understanding of principles.	No major errors and any minor errors do not violate principles.
A2	Work applies principles of finance correctly in discussing results, conclusions, and/or recommendations.	Write-up/Discussion reflects lack of basic understanding of principles.	Write-up/discussion reflects basic understanding, but not deep understanding of principals.	Write-up/discussion reflects a deep understanding of principals.
A3	Work uses appropriate financial technology	Spreadsheet, data sources, and/or financial software is misused or used inappropriately.	Spreadsheet, data sources, and/or financial software used appropriately, but not masterfully.	Spreadsheet, data sources, and/or financial software used masterfully.
A4	Work demonstrates ability to synthesize complex business situations down to key issues. Analysis is sufficient to reach reasonable conclusions and recommendations. Work makes convincing recommendations and draws sound conclusions.	Focuses on tangential rather than key issues. Quantitative and qualitative analysis too simplistic or convoluted. Conclusions and recommendations are wrong or implausible.	Focuses on key issues but spends too much time on some tangential issues. Quantitative and qualitative analysis is adequate to make reasonable conclusions and/or recommendations. Conclusions and recommendations are reasonable and believable.	Focuses on key issues and avoids or dismisses tangential issues Quantitative and qualitative analysis persuasively supports the recommendations and conclusions. Conclusions and recommendations are convincing.
A5	Writing demonstrates ability to clearly and accurately communicate complex financial analysis. Oral presentation demonstrates ability to clearly and accurately communicate complex financial analysis.	Frequently misuses terms, misinterprets findings, and/or miscommunicates methods. Grammar and spelling errors are commonplace. Frequently misuses terms, misinterprets findings, and/or miscommunicates methods.	Makes a few minor errors in using terms, interpreting findings, and/or communicating methods. Contains a number of grammar and spelling errors. Makes a few minor errors in using terms, interpreting findings, and/or communicating methods.	Uses terms correctly. Clearly and accurately interprets findings and communicates methods. Contains few or no grammar and/or spelling errors. Uses terms correctly. Clearly and accurately interprets findings and communicates methods.

For each rubric used, report the number of write-ups or presentations evaluated and the number deemed “Unacceptable”, “Acceptable”, and “exceptional”. For example, below is an example of what would be collected:

Evaluator: Pat Practitioner

Date: 1/15/2006

Course: 6F:217

Student Work: Case study

<i>Student Ability</i>	<i>Rubric</i>	<i>Number Evaluated</i>	<i>Student proficiency</i>		
			<i>Unacceptable</i>	<i>Acceptable</i>	<i>Exceptional</i>
A1	Work applies principles of finance correctly to quantitative analysis	35	10	20	5
A2	Work applies principles of finance correctly in discussing results, conclusions, and/or recommendations.	35	4	26	5
A3	Work uses appropriate financial technology	35	1	20	14
A4	Work demonstrates ability to synthesize complex business situations down to key issues.	35	8	22	5
	Analysis is sufficient to reach reasonable conclusions and recommendations.	35	5	25	10
	Work makes convincing recommendations and draws sound conclusions.	35	7	22	6
A5	Writing demonstrates ability to clearly and accurately communicate complex financial analysis.	35	4	27	4
	Oral presentation demonstrates ability to clearly and accurately communicate complex financial analysis.	35	7	22	6