

# Finance BBA

## Qualitative Proficiency in Finance

**Goal Description:**

Finance BBA students will demonstrate an understanding of the qualitative aspects of finance.

RELATED ITEMS/ELEMENTS-----

RELATED ITEM LEVEL 1

**Students will demonstrate an understanding the Financial system**

**Learning Objective Description:**

Finance BBA students will display an understanding the function of the financial system, including understanding the operations and structure of Federal Reserve System, understanding the basics of banking, understanding the basics of the bond market, understanding the basics of the stock market, and understanding the basics of the money markets.

RELATED ITEM LEVEL 2

**Understanding how the Financial system works.**

**Indicator Description:**

Embedded test questions from several FINC 3310: Markets and Institutions classes are used to measure student understanding of the financial system.

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

10 majors were tested.

80% of the students met the criteria of answering at least 70% correctly.

40% exceeded goals and answered over 90% correctly.

OBJECTIVE MET

RELATED ITEM LEVEL 2

**Understanding the basics of the bond market**

**Indicator Description:**

Embedded test questions from several FINC 3310: Markets and Institutions classes are used to measure student understanding of the basics of the bond market.

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

10 majors were tested.

60% of the students met the criteria of answering at least 70% correctly.

30% exceeded goals and answered over 90% correctly.

OBJECTIVE MET

RELATED ITEM LEVEL 2

**Understanding the basics of the stock market**

**Indicator Description:**

Embedded test questions from several FINC 3310: Markets and Institutions classes are used to measure student understanding of the basics of the stock market.

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

10 majors were tested.

90% of the students met the criteria of answering at least 70% correctly.

50% exceeded goals and answered over 90% correctly.

OBJECTIVE MET

RELATED ITEM LEVEL 2

**Understanding the key components of commercial banking.**

**Indicator Description:**

A comprehensive exam score from class FINC 4320: Commercial Banking was used to determine students' level of understanding of the key components of commercial banking. This exam was an essay format.

**Criterion Description:**

At least 50% of the students will achieve a score of 70% or better.

**Findings Description:**

36majors were tested.

92% of the students met the criteria of obtaining a score of at least 70%.

25% exceeded goals and obtained a score of 90% or better.

OBJECTIVE MET

RELATED ITEM LEVEL 1

**Students will demonstrate proficiency in working with financial statements**

**Learning Objective Description:**

Students will show proficiency in calculating historical and prospective financial ratios used in analyzing financial statement data, in manipulating financial accounting data as needed to gain a broader understanding of financial accounting relationships and in interpreting financial ratios and similar metrics used in making investment and financing decisions.

RELATED ITEM LEVEL 2

**Proficiency in calculating historical and prospective financial ratios used in analyzing financial statement data**

**Indicator Description:**

Embedded test problems from several FINC 4335: Financial Statement and Credit Analysis classes are used to measure student student proficiency in calculating historical and prospective financial ratios used in analyzing financial statement data.

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

Both on line and classroom segments were evaluated:

ON -LINE:

17 majors were tested.

71% of the students met the criteria of answering at least 70% correctly.

53% exceeded goals and answered over 90% correctly.

OBJECTIVE MET

LIVE CLASSROOM:

32majors were tested.

97% of the students met the criteria of answering at least 70% correctly.

41% exceeded goals and answered over 90% correctly.

OBJECTIVE MET

**RELATED ITEM LEVEL 3**

**Accounting Survey**

**Action Description:**

Accounting survey to be administered to upper divisions Finance majors in the Fall 2016.

**RELATED ITEM LEVEL 2**

**Proficiency in interpreting financial ratios and similar metrics used in making investment and financing decisions.**

**Indicator Description:**

Embedded test problems from several FINC 4335: Financial Statement and Credit Analysis classes are used to measure student student proficiency in interpreting financial ratios and similar metrics used in making investment and financing decisions.

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

Both on line and classroom segments were evaluated:

ON-LINE:

17 majors were tested.

Only 24% of the students met the criteria of answering at least 70% correctly.

None of the students exceeded goals and answered over 90% correctly.

OBJECTIVE NOT MET - concerns about students having adequate background for this course. See corrective actions for details.

LIVE CLASSROOM:

32majors were tested.

6% of the students met the criteria of answering at least 70% correctly.

None of the students exceeded goals and answered over 90% correctly.

OBJECTIVE NOT MET: concerns about students having adequate background for this course. See corrective actions for details.

#### RELATED ITEM LEVEL 3

##### **Accounting Survey**

##### **Action Description:**

Accounting survey to be administered to upper divisions Finance majors in the Fall 2016.

#### RELATED ITEM LEVEL 2

##### **Proficiency in manipulating financial accounting data as needed to gain a broader understanding of financial accounting relationships**

##### **Indicator Description:**

Embedded test problems from several FINC 4335: Financial Statement and Credit Analysis classes are used to measure student student proficiency in manipulating financial accounting data as needed to gain a broader understanding of financial accounting relationships.

##### **Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

##### **Findings Description:**

Both on line and classroom segments were evaluated:

ON-LINE:

17 majors were tested.

47% of the students met the criteria of answering at least 70% correctly.

24% exceeded goals and answered over 90% correctly.

OBJECTIVE NOT MET - concerns about students having adequate background for this course. See corrective actions for details.

LIVE CLASSROOM:

32majors were tested.

69% of the students met the criteria of answering at least 70% correctly.

31% exceeded goals and answered over 90% correctly.

OBJECTIVE MET

RELATED ITEM LEVEL 3

**Accounting Survey**

**Action Description:**

Accounting survey to be administered to upper divisions Finance majors in the Fall 2016.

RELATED ITEM LEVEL 2

**Understanding accrual-based accounting and how it relates to balance sheets, income statements, and cash flow statements**

**Indicator Description:**

Embedded test problems from several FINC 4335: Financial Statement and Credit Analysis classes are used to measure student understanding of accrual-based accounting and how it relates to balance sheets, income statements, and cash flow statements.

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

Both on line and classroom segments were evaluated:

ON-LINE:

17 majors were tested.

76% of the students met the criteria of answering at least 70% correctly.

35% exceeded goals and answered over 90% correctly.

OBJECTIVE MET

LIVE CLASSROOM:

32majors were tested.

69% of the students met the criteria of answering at least 70% correctly.

16% exceeded goals and answered over 90% correctly.

OBJECTIVE MET

RELATED ITEM LEVEL 3

Accounting Survey

Action Description:

Accounting survey to be administered to upper divisions Finance majors in the Fall 2016.

Quantitative Proficiency in Finance

Goal Description:

Finance BBA students will correctly apply financial models used in solving quantitative problems in finance.

This will prepare the student for a career in finance after graduation.

RELATED ITEMS/ELEMENTS -----

RELATED ITEM LEVEL 1

Students will demonstrate a knowledge of fixed-income , equity securities, and options.

Learning Objective Description:

Students will show an understanding of investments including; the ability to quantify price and yield metrics and measure performance for both fixed-income and equity securities singularly and in portfolios; understanding risk, return, and diversification; and understand options both for hedging and speculation.

RELATED ITEM LEVEL 2

Demonstrate an understanding options and futures.

Indicator Description:

Embedded test problems from FINC 4345: Investments class are used to measure students' understanding of how options/futures can be used for both speculation and hedging purposes.

Criterion Description:

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

Findings Description:

29 majors were tested.

86% of the students met the criteria of answering at least 70% correctly.

72% of the students exceeded goals and answered over 90% correctly.

OBJECTIVE MET

RELATED ITEM LEVEL 2

Demonstrating the ability to quantify risk and return

Indicator Description:

Embedded test problems from FINC 4345: Investments class are used to measure students' ability to quantify risk and return metrics for individual assets as well as a portfolio of assets.

Criterion Description:

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

Findings Description:

29 majors were tested.

52% of the students met the criteria of answering at least 70% correctly.

52% of the students exceeded goals and answered over 90% correctly.

OBJECTIVE MET -however due to the low number of questions, the results are bifurcated. The students knew the material well or not at all. See corrective action list.

RELATED ITEM LEVEL 2

**Demonstrating the ability to assess the performance of a multi-asset portfolio.**

**Indicator Description:**

Embedded test problems from FINC 4345: Investments class are used to measure students' ability to assess the performance of a multi-asset portfolio .

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

29 majors were tested.

59% of the students met the criteria of answering at least 70% correctly.

34% of the students exceeded goals and answered over 90% correctly.

OBJECTIVE MET

RELATED ITEM LEVEL 2

**Demonstrating the ability to price options.**

**Indicator Description:**

Embedded test problems from FINC 4345: Investments class are used to measure students' ability to quantify the benefits of diversification.

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

29 majors were tested.

83% of the students met the criteria of answering at least 70% correctly.

69% of the students exceeded goals and answered over 90% correctly.

OBJECTIVE MET

RELATED ITEM LEVEL 2

**Demonstrating the ability to quantify price and yield metrics for both fixed-income and equity securities.**

**Indicator Description:**

Embedded test problems from FINC 4345: Investments class are used to measure students' ability to quantify price and yield metrics for both fixed-income and equity securities.

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

29 majors were tested.

55% of the students met the criteria of answering at least 70% correctly.

55% of the students exceeded goals and answered over 90% correctly.

OBJECTIVE MET -however due to the low number of questions, the results are bifurcated. The students knew the material well or not at all. See corrective action list.

**RELATED ITEM LEVEL 2**

**Demonstrating the ability to quantify the benefits of diversification.**

**Indicator Description:**

Embedded test problems from FINC 4345: Investments class are used to measure students' ability to quantify the benefits of diversification.

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

29 majors were tested.

52% of the students met the criteria of answering at least 70% correctly.

52% of the students exceeded goals and answered over 90% correctly.

OBJECTIVE MET -however due to the low number of questions, the results are bifurcated. The students knew the material well or not well at all. See corrective action list.

**RELATED ITEM LEVEL 1**

**Students will demonstrate proficiency in working with financial statements**

**Learning Objective Description:**

Students will show proficiency in calculating historical and prospective financial ratios used in analyzing financial statement data, in manipulating financial accounting data as needed to gain a broader understanding of financial accounting relationships and in interpreting financial ratios and similar metrics used in making investment and financing decisions.

**RELATED ITEM LEVEL 2**

**Proficiency in calculating historical and prospective financial ratios used in analyzing financial statement data**

**Indicator Description:**

Embedded test problems from several FINC 4335: Financial Statement and Credit Analysis classes are used to measure student student proficiency in calculating historical and prospective financial ratios used in analyzing financial statement data.

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

Both on line and classroom segments were evaluated:

ON -LINE:

17 majors were tested.

71% of the students met the criteria of answering at least 70% correctly.



53% exceeded goals and answered over 90% correctly.

OBJECTIVE MET

LIVE CLASSROOM:

32majors were tested.

97% of the students met the criteria of answering at least 70% correctly.

41% exceeded goals and answered over 90% correctly.

OBJECTIVE MET

#### RELATED ITEM LEVEL 3

##### **Accounting Survey**

##### **Action Description:**

Accounting survey to be administered to upper divisions Finance majors in the Fall 2016.

#### RELATED ITEM LEVEL 2

**Proficiency in interpreting financial ratios and similar metrics used in making investment and financing decisions.**

##### **Indicator Description:**

Embedded test problems from several FINC 4335: Financial Statement and Credit Analysis classes are used to measure student student proficiency in interpreting financial ratios and similar metrics used in making investment and financing decisions.

##### **Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

##### **Findings Description:**

Both on line and classroom segments were evaluated:

ON-LINE:

17 majors were tested.

Only 24% of the students met the criteria of answering at least 70% correctly.

None of the students exceeded goals and answered over 90% correctly.

OBJECTIVE NOT MET - concerns about students having adequate background for this course. See corrective actions for details.

LIVE CLASSROOM:

32majors were tested.

6% of the students met the criteria of answering at least 70% correctly.

None of the students exceeded goals and answered over 90% correctly.

OBJECTIVE NOT MET: concerns about students having adequate background for this course. See corrective actions for details.

RELATED ITEM LEVEL 3

**Accounting Survey**

**Action Description:**

Accounting survey to be administered to upper divisions Finance majors in the Fall 2016.

RELATED ITEM LEVEL 2

**Proficiency in manipulating financial accounting data as needed to gain a broader understanding of financial accounting relationships**

**Indicator Description:**

Embedded test problems from several FINC 4335: Financial Statement and Credit Analysis classes are used to measure student student proficiency in manipulating financial accounting data as needed to gain a broader understanding of financial accounting relationships.

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

Both on line and classroom segments were evaluated:

ON-LINE:

17 majors were tested.

47% of the students met the criteria of answering at least 70% correctly.

24% exceeded goals and answered over 90% correctly.

OBJECTIVE NOT MET - concerns about students having adequate background for this course. See corrective actions for details.

LIVE CLASSROOM:

32majors were tested.

69% of the students met the criteria of answering at least 70% correctly.

31% exceeded goals and answered over 90% correctly.

OBJECTIVE MET

RELATED ITEM LEVEL 3

**Accounting Survey**

**Action Description:**

Accounting survey to be administered to upper divisions Finance majors in the Fall 2016.

RELATED ITEM LEVEL 2

**Understanding accrual-based accounting and how it relates to balance sheets, income statements, and cash flow statements**

**Indicator Description:**

Embedded test problems from several FINC 4335: Financial Statement and Credit Analysis classes are used to measure student understanding of accrual-based accounting and how it relates to balance sheets, income statements, and cash flow statements.

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

Both on line and classroom segments were evaluated:

ON-LINE:

17 majors were tested.

76% of the students met the criteria of answering at least 70% correctly.

35% exceeded goals and answered over 90% correctly.

OBJECTIVE MET

LIVE CLASSROOM:

32majors were tested.

69% of the students met the criteria of answering at least 70% correctly.

16% exceeded goals and answered over 90% correctly.

OBJECTIVE MET

RELATED ITEM LEVEL 3

**Accounting Survey**

**Action Description:**

Accounting survey to be administered to upper divisions Finance majors in the Fall 2016.

RELATED ITEM LEVEL 1

**Students will show proficiency in analyzing business investment projects and opportunities.**

**Learning Objective Description:**

Students will show proficiency in calculating, understanding, and using financial ratios, analysis, and financial indicators to provide information useful to the managers of a firm including understanding and explaining the nature of cost of capital raised by a business firm, analyzing the cash flows as they form the basis for valuation of real and financial assets, and demonstrating the ability to summarize and analyze potential investment projects using analytical tools such as Excel .

RELATED ITEM LEVEL 2

**Calculating, understanding, and using financial ratios, analysis, and financial indicators.**

**Indicator Description:**

Embedded test problems from FINC 4390: Managerial Finance are used to measure student proficiency in calculating, understanding, and using financial ratios, analysis, and financial indicators to provide information useful to the managers of a firm.

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

36 majors were tested.

72% of the students met the criteria of answering at least 70% correctly.

72% exceeded goals and answered over 90% correctly.

Again, bifurcated results, the students knew the material well or not at all. This is due in part to a limited number of questions. See corrective action list.

OBJECTIVE MET

RELATED ITEM LEVEL 3

**Accounting Survey**

**Action Description:**

Accounting survey to be administered to upper divisions Finance majors in the Fall 2016.

RELATED ITEM LEVEL 2

**Demonstrating an understanding of analysis of cash flows**

**Indicator Description:**

Embedded test problems from FINC 4390: Managerial Finance are used to measure student proficiency in understanding and analyzing cash flows as they form the basis for valuation of real and financial assets.

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

36 majors were tested.

61% of the students met the criteria of answering at least 70% correctly.

44% exceeded goals and answered over 90% correctly.

OBJECTIVE MET

RELATED ITEM LEVEL 2

**Understanding and explaining the nature and cost of capital raised by a business firm.**

**Indicator Description:**

Embedded test problems from FINC 4390: Managerial Finance are used to measure student understanding of the nature and cost of capital raised by a business firm.

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

36 majors were tested.

50% of the students met the criteria of answering at least 70% correctly.

50% exceeded goals and answered over 90% correctly.

Very bifurcated results, the students knew the material or did not.

OBJECTIVE MET

RELATED ITEM LEVEL 2

**Using analytical tools such as Excel to analyze business opportunities.**

**Indicator Description:**

Embedded test problems from FINC 4390: Managerial Finance are used to measure student proficiency in summarizing and analyzing potential investment projects using analytical tools such as Excel.

**Criterion Description:**

At least 50% of students will achieve correct solutions on at least 70% of embedded questions.

**Findings Description:**

36 majors were tested.

86% of the students met the criteria of answering at least 70% correctly.

75% exceeded goals and answered over 90% correctly.

OBJECTIVE MET

**Update to Previous Cycle's Plan for Continuous Improvement**

**Previous Cycle's Plan For Continuous Improvement (Do Not Modify):**

No plan has been added to this level.

**Update of Progress to the Previous Cycle's PCI:**

The overarching learning objectives of qualitative and quantitative proficiency are too broad and need to be better defined.

Using embedded test questions in FINC 3310 to test the majors does not provide enough Finance majors to be a robust assessment.

unless a sufficient number of embedded test questions are used, the results can be misleading. This can make data collection cumbersome and can weaken the class.

- Need to consider a survey of senior students to better assess students overall knowledge instead of embedded test questions.

There is concern that some of the students enrolled in FINC 4335 do not have an adequate background in accounting. We are taking two actions to address this:

- We are creating a preferred class order list for the advising center and to be posted on the website to facilitate an orderly schedule of courses for Finance majors.
- We are creating a survey to be administered to upper level Finance majors to determine their accounting background (SHSU or transfer) and to understand where any shortfalls are.

## Plan for Continuous Improvement

### Closing Summary:

This is our continuous improvement plan.

### Plan for Continuous Improvement

#### FINANCE: 2015-2016

1. Our overarching goals are too broad. - We need to be more specific and ensure alignment with the college vision and mission statement.
  1. Need to redefine goals
  2. Need to obtain approval from Finance faculty for the new goals
1. Assessing Intermediate Accounting I and II – Based on the results from the FALL 2015 assessment, there is concern that students are not adequately prepared for higher level classes that assume knowledge of financial statements.

The Finance faculty will create a list of learning objectives for ACCT 3313 and ACCT 3314 that are deemed relevant to the FINANCE major.

A survey will be created that asks:

- If ACCT 3313 has been taken
- If so where
- If ACCT 3314 has been taken
- If so where
- Questions assessing the students' knowledge with respect to the stated learning objectives.

This survey will be delivered in the FALL 2016 semester in several of the upper level Finance classes so that students that are Finance majors and have taken the two accounting classes can be assessed.

1. Preferred Class Sequence – Based on the results from the FALL 2015 assessment it was determined that some students may to be taking classes in an optimal order. If the required classes are taken in the following order, the students are likely to obtain more from the classes,

Early: FINC 3320, FINC 3310, FINC 4325 (elective), FINC 4340 (elective), BUAD 3355

Middle: FINC 4315 (elective), FINC 4320, FINC 4330 (elective), FINC 4345, ACCT

3313

Later: FINC 4335, FINC 4390, ACCT 3314, FINC 4355 (elective), FINC 4365 (elective)

FINC 3330(elective) was asked to be added to the middle tier.

1. This list should be made public, posted on the web, sent to the advising team, and potentially e-mailed to all finance majors.
2. this needs to be put in a more visual (flow chart) diagram that helps students understand the preferred sequence of classes.

1. Using embedded test questions is not the best method of assessing as using few questions can make the results less reliable and using too many questions is not feasible. Need to investigate other ways of assessing the Finance major.