Convocation Agenda

The Business faculty will need to vote on the following Graduate Committee recommendations:

1. Increased Admissions requirements versus the current admission standards (see Previous Graduate Committee Report, Section on Admissions for more details). There are three options.
   - Option 1: Retain current admissions standard of a minimum GMAT of 400, and the standard that \((\text{GMAT} \times \text{GPA}) \geq 1400\);
   - Option 2: \((\text{GPA} \times 200) + \text{GMAT} \geq 1050\), \(\text{GMAT} \geq 450\);
   - Option 3: \(\text{GPA} \geq 3.5\), or \((\text{GPA} \times 200) + \text{GMAT} \geq 1050\), or accredited (AACSB or ACBSP) graduate degree, or \(\text{GPA} \geq 3.25\) and 4 years full time profession experience.

   First vote will list all three options – check your preferred option. Second vote will be a runoff between the two highest ranked options if there is no absolute majority preference.

2. Requirement that the Body of Knowledge is completed before the first semester of MBA classes. Students are, as an alternative, allowed to test out of specific BOK requirements before starting MBA classes. Individual departments would be responsible for administering and evaluating specific tests. A passing test score in a subject will relieve the students from taking the corresponding prerequisite for core MBA courses. BOK deficiencies (either from classes or measured by the tests) must be corrected by the first year.
   - Option 1: No change in current BOK requirements or
   - Option 2: BOK required before entry into MBA courses or demonstrated by passing subject matter tests.

   Vote option 1 or 2.

3. Changes to BA590 that include:
   a. BA590 focuses on a business plan,
   b. BA590 has four prerequisite courses (ACCT503, MKTG 503, BLAW502, and FIN 503), and
   c. that the listed topics in Figure 1 be included in core classes leading to BA590, and

   Vote to incorporate the above changes into BA590 (yes/no).
Other Curriculum Changes Voted by the Graduate Committee

- Change the course title for ACCT 564 from Applied Accounting Concepts to Financial Accounting Research. The course is now restricted to main campus and Master of Accountancy majors.
- Approved the Specialization in Regulatory Economics for the MA in Economics
- Approved the Graduate Certificate in Utility Regulation and Economics as presented by L. Blank. Start date: Fall 2010
- Approved the Graduate Certificate Program in Finance as presented by M. E. de Boyrie. Start date: Fall 2010
- Approved ECON 596 (independent study)
- Removed MGT 309 from the Body of Knowledge for MBA program
- Approved MKTG 303 as the prerequisite for MKTG 503

Future MBA Directions (for Discussion)

Introductory MBA Course
This proposal is not currently up for vote because of resource concerns. However, the Graduate Committee recommends a “front end” course to the MBA program (BA501) which all entering MBA students would take within the first year (preferably the first semester). The course would give students a background in business planning, development of a project proposal, team coordination, communication, presentation and writing skills that are required for the BA590. The course will outline a “road map” to the student to finish BA590 successfully (such as check point topics in the core classes that are fundamental to the BA590 project).

Ethics Component
The Graduate Committee will consider whether the proposed BA501 introductory course and BA590 capstone both contain modules that cover business ethics and corporate social responsibility (CSR). BA501 would introduce students to these topics and then BA590 would have the students include CSR analysis as a component of the business plan.
Previous Graduate Committee Recommended Changes to the MBA Program (April 2010)

Summary
The Graduate Committee with advice from faculty involved with the AOL assessment and accreditation has concluded that the MBA program needs increased rigor and more focus. The Committee proposes three categories of improvement to the MBA program; (1) higher and more consistent admission standards, (2) a minimum background body of knowledge completed early in the program, and (3) a focused BA590 capstone class that integrates the major components of the MBA curriculum. The forum this Friday is to discuss these changes. At the fall convocation, we will revisit any issues that have come up and then have a vote (ballot) on specific changes.

Admissions

Current Requirements
To gain admission to the M.B.A. program, applicants must have:

- achieved a minimum Graduate Management Admission Test (GMAT) score of 400 and a combined undergraduate GPA x GMAT score of at least 1400,
- received a graduate degree from a regionally accredited college or university, or
- completed at least four years of relevant, full-time, post-degree, professional work experience and compiled an undergraduate GPA of at least 3.25.

Proposal #1
A proposed alternative admission requirement would require applicants to have:

1. Obtained at least a 1050 on the following formula:  (GPA x 200) + GMAT score
2. Achieved at least a minimum Graduate Management Admission Test (GMAT) score of 450.

Official GMAT scores would be submitted to the M.B.A. Program Office at least one month prior to initial enrollment in the program. An equivalent score on the GRE exam may also be considered on a case by case basis. In addition, supplemental information must be mailed directly to the M.B.A. Program Office by the same deadline. Supplemental materials will be considered, in addition to the minimum GMAT and formula calculation stated above, to make the final acceptance decision. Supplemental information required:

1. Two letters of reference.
3. The applicant’s current resume.
Comparison of Current Requirements to Proposal #1

The first proposed admission formula is similar, in result, to the GMAT option of the current admission standard except for minimum acceptable GMAT score. The following table indicates the GPA required for several GMAT scores for both the proposed and current standard.

<table>
<thead>
<tr>
<th>GMAT Score</th>
<th>Current GPA</th>
<th>Proposed GPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>400</td>
<td>3.50</td>
<td>3.11</td>
</tr>
<tr>
<td>450</td>
<td>3.00</td>
<td>2.75</td>
</tr>
<tr>
<td>500</td>
<td>2.80</td>
<td>2.55</td>
</tr>
<tr>
<td>550</td>
<td>2.55</td>
<td>2.50</td>
</tr>
</tbody>
</table>

The proposed admission standard with a higher minimum GMAT score would further truncate students who do test well on the GMAT but might have a high compensating GPA. These tighter admission standards should also be weighed against the stricter body of knowledge testing outlined below.

Proposal #2

A second alternative admission requirement would require applicants to:

Have one of the following:

1. an undergraduate degree from a university whose Business College has either AACSB or ACBSP accreditation with either an overall cumulative GPA of 3.5, or a cumulative 3.5 GPA in the last 60 credit hours, or

2. a minimum combined GPA and GMAT score of 1050 based on this formula: (GPA x 200) + GMAT with a minimum GMAT score of 400 (official GMAT scores must be submitted to the M.B.A. Program Office at least one month prior to initial enrollment in the program), or

3. a graduate degree from a university whose Business College has either AACSB or ACBSP accreditation, or
4. an undergraduate degree with a cumulative GPA of 3.25, together with at least four years of advanced analytical or managerial, full-time, post-degree, professional work experience.

Comparison of Current Requirement to Proposal #2

The second proposal is similar to the current requirements in that it offers multiple avenues of gaining entrance into the MBA program. Changes, listed by corresponding number of the option in the proposal, are:

1. this option represents the only new option. It was added to allow students with high undergraduate GPAs to obtain entrance into the program without a GMAT score.

2. the formula for GMAT entrance was changed to one that represents more closely the formulas used at other institutions

3. the type of university from which a graduate degree will be accepted was tightened

4. the type and level of work experience required was tightened

Body of Knowledge

Background Knowledge

Although the MBA program is designed to encourage participation by students with a variety of educational backgrounds, the curriculum is fast paced. As a consequence, a minimum level of background knowledge in specific disciplines is expected of all entering students. The requisite body of knowledge includes knowledge and skills in these disciplinary topics: managerial accounting, financial accounting, macroeconomics, financial analysis, marketing, calculus and statistics. Students must establish competency in the body of knowledge prior to, or concurrently with, the first semester of enrollment in MBA courses.

Students may demonstrate competency in the Body of Knowledge through evidence of successful completion (with a grade of A or B) of undergraduate courses in the specific disciplines, or by successful completion of discipline specific examinations administered by relevant departments. NMSU courses which satisfy the body of knowledge requirements are indicated on the list below. Equivalent courses from other institutions will also satisfy the body of knowledge requirements. The MBA advisor will, working with the relevant departments, determine course equivalency.

- Managerial Accounting - ACCT 251 (prerequisite for ACCT 503)
- Financial Accounting - ACCT 252 (prerequisite for ACCT 503)
- Macroeconomics - ECON 251
• Financial Analysis - FIN 341 (prerequisite for FIN 503)
• Principles of Marketing - MKTG 303, (prerequisite for MKTG 503)
• Calculus - MATH 142G or MATH 191
• Statistics - A ST 251G or STAT 251, or A ST 311G (prerequisite for ECON 503)

Students who wish to demonstrate competency in any Body of Knowledge discipline through examination may do so by taking the appropriate competency examination(s) prior to beginning their first semester of enrollment in MBA courses. Examinations are offered for each of the seven body of knowledge topics and are administered by academic departments in the College of Business. Each competency exam can be taken only one time. A satisfactory competency examination score in will result in a waiver of any core MBA course prerequisites in that discipline. Upon request, the MBA office will provide interested students with the exam registration deadlines, administration dates and other relevant details.

**BOK Examination Guidelines**

*This would not be included in the catalog, but would provide guidelines for BOK exams so that there is consistency and coordination between the departments.*

Each department will design, administer and grade the examination appropriate for its BOK discipline area(s), and the Department of Economics will also provide tests for statistics and calculus.

The passing grade on the exams is (70%).

Students who have been admitted to the MBA program may register for BOK examination(s) with the relevant departments. Registration for competency exams will close two weeks before the start of instruction each regular academic semester.

Competency examinations are offered at different times so that there is no time conflict. The Department of Economics and the Department of Marketing will administer their competency examinations in coordinated time blocks exactly one week before instruction begins each semester.

The Departments of Accounting and Finance will administer their exams in coordinated time blocks on the 6th day before instruction begins each semester.

If either of these dates should fall on a Saturday or Sunday, the examinations will be re-scheduled for the weekday(s) prior.

Departments will make exam scores available to students in department offices at least 2 days before instruction for the semester begins.

Students who do not achieve the required score must then acquire the body of knowledge for that topic by enrolling in an appropriate undergraduate course, and will not be allowed to retake the competency exam.
BA590
BA590 serves two important functions: (1) as the capstone, the course integrates major elements of the MBA curriculum, and (2) the team presentation at the end of the course serves as the oral examination required by the Graduate School. The Graduate Committee is concerned with the consistency of student performance in BA590. Many students enter the class unprepared to undertake a substantial team project within the regular semester or 10 week summer time frame (if applicable, future summer courses may be cut). The Committee recommends a series of changes that focuses BA590 as an integration of MBA curriculum and insures that students are prepared to competently meet the demands of the course.

590 Projects
The team projects will consist of a “business plan” incorporating concepts of business contracts and incorporation, marketing, financing, cost analysis and projection of financials. The students should anticipate a very high level of documentation and substantiation of basic assumptions and calculations.

The professor of the course must ensure that members of the review committee are involved with the project development from the beginning of the course. Because of this extensive involvement, review faculty should be recognized for the service and teaching effort (at least at a level or oral exam participation - the activity can be currently entered in Digital Measures as an oral exam service).

Prerequisites for BA 590
Currently, the only “prerequisite” for BA590 is that the MBA student completes the course in the last semester of the program,(required by the Graduate School for the oral examination). The current requirement allows the student to take a number of core MBA courses simultaneously with BA590. The GC has approved a change to the prerequisites for BA590. The committee recommends the following courses as mandatory prerequisites (not to be completed concurrently) for BA590.

1. ACCT503
2. BLAW502
3. FIN503 and
4. MKT503.

Required Topics in Core Classes
It is agreed that faculty will cover specific topic in the core classes that lead into BA590. The prerequisite classes would cover a list of specific topics necessary for completing the BA590 project, indicated in Figure 1. Thus students entering BA590 would already be competent with the business plan concepts. Instructors of the core classes should include the following topics in the course syllabus and emphasize to the students how the concepts fit into a business plan.
Figure 1: BA590 Prerequisites and Necessary Topics

ACCT 503
- Cost-volume-profit
- Margin analysis
- Budgeting
- Financials
- Capital Planning
- Decision Making
- Marginal vs average
- Concept of a Business Plan

BLAW 502
- Types of Business Incorporation
- Contract
- Intellectual Property
- Tort Law/Liability
- Employee Legal Issues

MKTG 503
- Marketing Plan Development
  a. Scope
  b. Market Share
  c. Penetration
  d. pricing
  e. Demand
  f. promotion
- Alternative Marketing Strategies
- Product
- Pricing

FIN 503
- Time value of money
- Annuities
- Amortization
- Capitalization
- Cost of Capital
- Cash flow and Risk
- Risk premium
- Integrative capital budgeting case

BA590: Business Plan