ACADEMIC PROGRAM ASSESSMENT OF STUDENT LEARNING

Phase 1 Report, 2009-10

College: BUSINESS  Department: FINANCE

Program: FINANCE MAJOR  Degree Granted: BACHELOR OF BUSINESS ADMINISTRATION

If multiple programs are included, please list additional programs here (graduate & undergraduate must be separate):  N/A

Check one:  Undergraduate ____X____  Graduate ____________

Person Completing Report: Lizbeth G. Ellis, Dept. Head  Office Phone: 646-3201

Title: Department Head  E-Mail: lellis@nmsu.edu

Department Head (if different from person completing report) ___________________________________________

Office Phone_______________________________  E-Mail ________________________________

Check one:  Fall Implementation Schedule:  X  Spring Implementation Schedule: ______

External Accrediting Agency (if applicable: AACSB (programmatic assessment of degree rather than by major)

Date of last accreditation site visit:  Spring 2003  Date of next accreditation site visit:  2012-2013

Please attach copies of any/each rubric to be used.

Briefly Summarize your Assessment Implementation & Findings from 2008-09. How will this affect what you do for the 2009-10 academic year?

Our direct learning goal for 2008-09 was: “Students will calculate a company’s cost of capital and use it to solve a capital budgeting problem.” We used two objective multiple choice questions in Finance 406 to assess whether we had achieved this objective. Our goal was that at least 75% percent of our students would answer each of these questions successfully. Data from the Fall 2008 semester, showed that 80% of finance majors could answer a descriptive question about capital budgeting, but only 78% could correctly compute the weighted average cost of capital (WACC). Based on this data, faculty agreed that we were meeting our achievement goal for this particular learning objective, but that we would like to see an increase in the number of students who were successful in the computation of the WACC. Toward that end, and as a result of consultation with the university assessment director (Shelly Stovall), we agreed that we would (a) continue the current assessment another semester with minor changes in how the topic was approached in the classroom, and (b) also adopt a related learning goal and develop a new assessment instrument to be used in the 2009-10 academic year that would utilize a written quantitative problem in Finance 341, rather than just multiple choice question, in an attempt to assess where students were having difficulty.

NMSU Mission: New Mexico State University is the state’s land-grant university, serving the educational needs of New Mexico’s diverse population through comprehensive programs of education, research, extension education, and public service.

Academic Program Mission: To meet the educational needs of the people of New Mexico by providing undergraduate students with the knowledge of financial concepts and the analytical skills needed to pursue a variety of careers in corporate and government financial management, investments, financial planning, banking, and risk management and insurance.
**Academic Program Goals:**

- The Finance program will graduate students who contribute to the economic development of the state and nation through professional employment in the broadly defined field of finance.
- The Finance program will facilitate learning to insure that finance students have a solid understanding in fundamental concepts and tools of finance used by financial managers in a variety of organizations.
- The Finance program will offer students the opportunity to acquire expertise in a variety of finance sub-specialty areas.

**Academic Program Objectives:**

1. Students will apply possess an understanding of fundamental financial concepts and the analytical skills to solve financial problems.
2. Finance graduates will succeed in obtaining professional employment in finance or a related field, or in gaining admission to a graduate degree program.
3. Students will acquire industry specific knowledge by taking finance courses in one or more of five sub-specialty areas: financial management, investments, financial planning, banking, and risk management and insurance.

**Direct Student Learning Outcome (1 is required and recommended):** Students can use the net present value method to determine profitability, decide whether to accept or reject a proposed project, and provide a rationale for the decision. (one of the skills encompassed in Objective 1 above)

**What are the specific components you will be looking for in this outcome?**

1. Students can translate the verbal or written assertions and apply appropriate procedures. This includes development of appropriate mathematical expressions with clearly defined variables and/or units. An appropriate model of quantitative analysis is chosen.
2. Students can analyze the problem and determine the correct value. This involves accurately interpreting the quantitative data, completing the analysis to arrive at the correct result and correctly interpreting the result.
3. Students can effectively communicate the results of the analysis. This includes accurate use of quantitative data to support conclusions and recognition of extensions of the problem or conclusion. Recommendations are organized in a coherent logical manner.

**Indirect Student Learning Outcome (Optional):**

None at this time.

**What evidence will be used to assess the identified direct student learning outcome?**

Students will complete a problem embedded in an exam. The problem will require computational analysis and a short written analysis and response.
**DATA COLLECTION:**

*Which students will provide the evidence?* The assessment will be conducted in all sections of Finance 341. Data will be collected from all students and results will be analyzed for both all business majors and finance majors in particular.

*Who will collect the evidence?* The instructors of all Finance 341 sections.

*When?* Fall 2009 and Spring 2010.

*How?* All faculty assigned to teach Fin 341 have been involved in the development of the assessment instrument and rubric and have agreed to participate voluntarily.

*How and by whom will the evidence be quantified?* All Finance 341 instructors will submit data from their courses, using the agreed upon rubric, to the appointed FIN 341 assessment coordinator. The coordinator will aggregate the data and send a report to the department head.

*What are the defined levels of performance?* “Exceeds Standards”, “Meets Standards” or “Fails to Meet Standards”.

*What level of performance is considered evidence that a student has learned the intended outcome?* Meets standards indicates an acceptable level of achievement.

*What number or percentage of students obtaining the desired level of performance is sufficient to determine the program is providing appropriate and effective learning experiences to achieve program expectations? (Benchmark)* Our target is for at least 75% of the finance majors to meet or exceed our standards of achievement.

*With whom will findings of the assessment be shared?*

The aggregative scores on the assessment will be distributed to faculty in Finance and discussed at a Finance faculty meeting. We are working on an “Assurance of Learning” webpage for our department where we can make generalized statements about our results available to anyone who is interested, and we will disseminate the generalized statements about our results to our students via our Finance Major list serve.

*When?*

Fall results will be shared with faculty in February. Spring results may not be available to faculty in summary form until the following Fall (September). We hope to have a summary report on our website and distributed to students before the end of the Spring 2010 semester.

*How?* See above.

*What opportunities for discussion and decision-making will be realized?*

The faculty meetings in February and September will be used as an opportunity to monitor students progress on this particular learning goal and to determine what steps can be taken to improve learning outcomes.
Quantitative Problem-Solving Assessment Rubric (Fall 2009)

General Achievement: Quantitative Reasoning is the ability to translate verbal or written assertions into quantitative data, read and analyze quantitative data, use models, interpret quantitative data, translate quantitative evidence and reasoning back to verbal or written assertions and support conclusions.

**Specified Achievements**

<table>
<thead>
<tr>
<th>Specified Achievements</th>
<th>3: Exceeds Standards</th>
<th>2: Meets Standards</th>
<th>1: Fails to Meet Standards</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Translates verbal or written assertions and applies appropriate procedures</td>
<td>Student develops appropriate mathematical expressions and/or operational definitions from verbal or written assertions with clearly defined variables and/or units. Student chooses and properly applies one or more methods/models of quantitative analysis with no errors.</td>
<td>Student develops mathematical expressions and/or operational definitions from verbal or written assertions with few or minor errors. Student chooses and properly applies a method/model of quantitative analysis with few errors.</td>
<td>Student develops mathematical expressions and/or operational definitions from verbal or written assertions with significant errors. Student exhibits ability to differentiate between qualitative and quantitative data. Applies inappropriate procedure. No approach taken or approach was unclear.</td>
<td>3 2 1</td>
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<tr>
<td>Analyzes the problem and determines the correct value</td>
<td>Student accurately interprets the quantitative data with no errors. Analysis is complete showing the correct results of the calculation; interpretation of results obtained is logical, correct and explained clearly.</td>
<td>Student interprets the quantitative data with few data errors. Analysis is incomplete or incorrect due to minor errors in the interpretation of results.</td>
<td>Analysis is incomplete or incorrect due to major errors in the interpretation of results. An analysis of results was not attempted or impossible to follow.</td>
<td>3 2 1</td>
</tr>
<tr>
<td>Communicates the results</td>
<td>Student accurately uses quantitative data to support conclusions and recognizes extensions of the problem and/or conclusion. Recommendations are consistent with the results obtained. Results and recommendations are presented in a coherent and logical manner with complete sentences; appropriate grammar, spelling and/or use of quantitative data.</td>
<td>Recommendations are understandable but not always consistent with the results obtained. There are minor problems with organization, composition, and/or use of quantitative data.</td>
<td>Student uses no quantitative data to support their conclusion. Recommendations are inconsistent with the results obtained and poorly communicated.</td>
<td>3 2 1</td>
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**Scoring Key:**

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<thead>
<tr>
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<th>Total Score</th>
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<tbody>
<tr>
<td>Exceeds standards</td>
<td>8-9</td>
</tr>
<tr>
<td>Meets Standards</td>
<td>5-7</td>
</tr>
<tr>
<td>Fails to meet Standards</td>
<td>&lt;=4</td>
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**Standard:** 75% or more of the students meets or exceeds standard.