

SUMMARIZED REVIEW OF DEGREE PROGRAM

Department: Finance (CIP Code: 52.0801)

1. **Mission, Centrality and Uniqueness**

The mission of the Department of Finance at Kansas State University is to provide a high quality educational experience that inspires our students to assume leadership in a global, ever changing, and diverse business world. These experiences result from the intellectual scholarship of the faculty both in and out of the instructional environment; a rigorous, relevant, and diverse curriculum; and the support of the Department's programs by external stakeholders.

The Bachelor of Science in Business Administration (Finance Major) program is essential to the mission of Kansas State University. It provides highly skilled and knowledgeable graduates who are employed at entry and/or advanced levels in local, state, regional, national and global businesses as well as not-for-profit organizations. Without this major, the State of Kansas and regional firms will not have access to sufficient numbers of the best finance graduates the state can produce.

The Department of Finance offers the only undergraduate major in finance in the College of Business Administration and at Kansas State University. It offers a broad range of elective courses organized in three options (Financial Management, Financial Services, and Financial Controllership). It is the only department in the state and the region to offer this specialization.

2. **Quality of Faculty**

Currently, the department has one tenured professor, three tenured associate professors, four tenure-track assistant professors and one non-tenure-track full time instructor. In addition, the department employs one part time instructor each fall and spring semester. All faculty at the rank of assistant professor and above hold a Ph.D. degree. Faculty members are actively engaged in scholarly research leading to presentations at academic and professional conferences and publications in top-tier peer-reviewed journals. Faculty members use state of the art instructional technology and pedagogy in the classroom. Students taking finance classes rank the overall effectiveness of the faculty's instruction as "high". Faculty members have received numerous awards for their teaching and their research.

3. **Quality of Students**

While ACT scores are not considered in admitting students to the finance major, such scores do provide a measure of the overall ability of students to succeed in their academic programs. The average ACT composite score of finance majors between 2001 and 2005 is 24.10. The department offers a broad range of elective courses organized in three options. On average, about 34% of the finance majors elect the Financial Management option, 42% elect Financial Services, and the remaining 24% elect Financial Controllership. This unique curriculum allows the department to serve the broad range of career and professional objectives of the students. Graduates of the College who major in finance have specialized skills in conducting financial analysis, valuation of both real and financial assets, investment and financing decision making, and analysis and management of financial risk. They are knowledgeable in the functions and operations of financial markets and institutions.

In order to continuously improve its curriculum and to provide students with the opportunity to learn from successful business executives, the department views the role of its Finance Advisory Board as an integral part of the educational program. This Board, consisting of 40 senior level finance executives from around the nation, not only provides financial support to the department but also meets with students and faculty as we seek their counsel and expertise

4. **Employer Demand**

Demand for finance graduates, while in part determined by general economic conditions, remains very strong. The department provides a high quality educational experience that inspires our students to assume leadership roles in a global, ever changing diverse business world. As examples of how we accomplish this, all our majors are required to take a course in Careers in Finance, which exposes them to various career opportunities and thereby enables them to make informed career choices. For students interested in investment management and security analysis, we offer a hands-on course on this topic where students apply their knowledge in managing a real world equity portfolio. Members of the Finance Advisory Board also provide career advice to our students. All of these, along with a rigorous curriculum, results in our students being highly sought after by employers.

Among the students graduated with a major in finance between August 2001 and December 2005, 76% had accepted employment offers just prior to their graduation, 12% were furthering their education, and 12% were still seeking employment. Fifty-six percent of the graduates obtained employment in Kansas and 22% in Missouri (most being employed by businesses in the Kansas City metropolitan area), and the remaining 22% in other states (Colorado, Iowa, and Nebraska being the most frequent ones). About 31% of our graduates are employed in corporate finance, about 25% in financial services, and 16% in the banking area.

Our graduates also command a competitive starting salary. The average starting salary of graduates between August 2001 and December 2005 is \$35,286 per year, with the most recent year average being \$37,029. Over this time period, starting salaries have increased an average of 6.36% per year.

5. **Service Provided to the Discipline, the University and Beyond**

The department's faculty serves on departmental, College, and University committees to fulfill their service responsibilities. Depending on rank, faculty members are expected to expend up to 20% of their efforts towards service. Faculty members also provide service to the profession by organizing and chairing presentation sessions at academic conferences, reviewing research manuscripts and books for both academic organizations and journals, and serving as discussants at conferences. The department views these service activities as an integral part of the professional development of its faculty.

6. **Cost Effectiveness**

From the period FY 01 to FY 05, the department had an average of 353 majors. The number of faculty has averaged 6.80. The department's instructional expenditures have increased by 20.20% from \$1,000,195 in FY 01 to \$1,201,892 in FY05. However, the department's General Use Expenditures as a fraction of that for the university has decreased by 1.7% over this time period. In FY05, lower division cost per credit hour was

\$89.77, upper division cost per credit hour was \$187.62, and graduate cost per credit hour was \$421.02.

To supplement state resources, the department is actively engaged in raising funds from private sources. These funds are used for faculty development and to help defray operating expenses in excess of those funded by state allocations. Between FY01 and FY05, the department has raised a total of \$183,168 (not including funds raised for student scholarships). Without this private financial support, the department would not be able to maintain the high quality of its programs.

SUMMARIZED ASSESMENT OF STUDENT LEARNING

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1. Student Learning Outcomes:

In 2004, the department formalized its student learning outcomes as follows:

Upon completion of their degree, finance majors should demonstrate, within the context of business and individual decision units, and in a domestic and international environment, their

1. ability to conduct financial analysis
2. ability to value real and financial assets
3. ability to make investment and financing decisions
4. ability to analyze and manage risk
5. knowledge of the functions and operation of financial markets and institutions

In addition, students majoring in finance must also meet the learning outcomes of the College of Business Administration. Briefly, these relate to student's ability to communicate both orally and in written form, their adaptability to change, their ethical reasoning, their ability to work in teams and appreciate diversity, their global perspective, their computer skills, and their ability for creative and disciplined thinking.

2. Assessment Measures Used

Each spring semester, the department surveys graduating students to obtain feedback about its programs. The design of this survey precedes the development of specific student learning outcomes, and hence the survey currently does not address these learning outcomes directly. Changes in the survey will be implemented in spring 2007. However, the current survey does provide feedback on the student's understanding and knowledge of finance, among other things such as skill development, advising, etc.

Beginning with the spring 2006 semester, the department began implementing direct measures to assess each of the student learning outcomes. For each learning outcome, aggregate student performance on selected items from written examinations in the introductory finance course (FINAN 450 – Principles of Finance) will be used to establish a baseline benchmark. To assess student learning in the degree program, this performance will be compared to the aggregate student performance on selected written examination questions in the capstone course (FINAN 675 – Cases in Finance). In addition to this quantitative assessment, qualitative assessment of student learning will be made through an analysis of selected case study reports submitted by students in the capstone course.

3. *Results of Assessment*

Since the direct measures of assessment (via exam questions and case analysis) began in spring 2006 semester, we do not have the results from this method as of the date of this report.

Table A summarizes the results of the exit survey of finance majors graduating in April 2005, and is representative of similar surveys conducted in prior years. Numbers in parentheses represent actual number of respondents. Overall, the survey results indicate that the vast majority of students view their understanding and knowledge of finance and team work, presentation and problem solving skills as being either adequate or better.

Table A:			
Area	More than Adequate	Adequate	Inadequate
Understanding and knowledge of Finance	32% (15)	55% (26)	6% (3)
Acquiring skills for working in teams	77% (36)	15% (7)	2% (1)
Problem solving skills	60% (28)	30% (14)	4% (2)
Presentation skills, written, oral, etc.	55% (26)	36% (17)	2% (1)
Professionalism	51% (24)	40% (19)	2% (1)

4. *Review by Faculty*

The results of the exit survey of graduating students are provided to all faculty members in written form. The department head then discusses with the faculty (as a group) ways in which actions can be taken to improve student learning. This is done each fall semester.

Assessment using exam questions will begin in spring 2006, after results from the process are tabulated the following process will be followed for reviewing the results among the faculty and taking action: Faculty will meet each fall semester to discuss the results of the assessment. The baseline level for each SLO will be evaluated to determine if it is set at an appropriate level. Following the baseline creation, future year assessments will be compared to the baseline and prior year data to understand trends and monitor improvement and stability in student performance. At this meeting, the faculty will also review the assessment measures to ensure that they are an accurate assessment of student knowledge for each SLO. In addition, each SLO will be reviewed and modified or deleted as necessary.

5/6. *Revisions implemented and effect on student learning*

The results of the exit survey have been used to validate and update the pedagogy used in finance classes by the faculty. The survey results do indicate a high level of student satisfaction with respect to their understanding and knowledge of finance. Since the department has just begun implementing the direct measures of assessment, specific revision recommendations are not available at this time, but will be as we move forward.