

MSFA AY 2019-2020 Assessment

Phase 1: Assessment Plan

Learning Outcome Assessed

MSFA Learning Outcome 1-1

PO 1:

Apply quantitative methods and analytic tools from economics, statistics, finance and accounting to value and manage portfolios of financial assets.

LO 1:

Analytical Tools - Finance: Employ fundamental quantitative techniques essential in financial analysis and investment management including (i) the time value of money, (ii) the basics of statistics and probability theory, (iii) probability theory applied in the field of investment valuation and financial risk management, and (iv) joint behavior of two or more variables, including correlation and linear regression

This assessment of LO 1-1. Focused on “(i) the time value of money” covered in MSFA 714.

Assessment and Evaluation Method

The assessment was based on three assignments and the final exam. Students had to use the concepts and mathematics of the time value of money for the following topics: bond pricing and yield to maturity, net present value and internal rate of return for corporate projects, equity valuation and corporate valuation.

Trait 1: Identify the relevant method and formula for the given problem. Students demonstrate the ability to identify the relevant methodology and formula for addressing the problem.

Trait 2: Students apply the relevant formula correctly, and are able to make the correct financial decision.

Targeted Performance [Based on Rubrics]

Our assessment target is that 90% of the students meet or exceed expectations.

Rubric:

LO1.1: Analytical Tools- Time Value of Money	Exceeds Expectations (3)	Meets Expectations (2)	Below Expectations (1)
<p>Trait 1: Students demonstrate the ability to identify the relevant methodology and formula for addressing the problem.</p>	<p>All answers and explanations are correct.</p>	<p>All the correct formulas are used.</p>	<p>The correct formula is not used.</p>
<p>Trait 2: Students apply the relevant formula correctly, and are able to make the correct financial decision</p>	<p>All answers are correct, and a <i>complete</i> analysis and explanation is provided.</p>	<p>The relevant formula is applied and the correct financial decision is made.</p>	<p>Some calculations are not correct.</p>

Course where learning outcome was assessed:

MSFA 714: Corporate Finance, Fall 2019

Evaluator(s):

Professor John Gonzales

Phase 2: Results Assessment and Planned Action

Process

Students are assessed on a 3-point rubric for each of the two traits as described above.

Results

LO1.1: Analytical Tools-Finance	Exceeds Expectations (3)	Meets Expectations (2)	Below Expectations (1)	% Students Meeting or Exceeding Expectations
Trait 1: Students demonstrate the ability to identify the relevant methodology and formula for addressing the problem.	7	2	0	100%
Trait 2: Students apply the relevant formula correctly, and are able to make the correct financial decision.	7	2	0	100%

Phase 3: Closing the Loop

Trait 1: We saw that 100% of the students met or exceeded the expectation, which is well above our target of 90%. This was not a surprise, as this is straightforward topic that has been employed previously in the program. The data suggests that this is something that we are conveying effectively, in that the students not only understand the concepts but also are able to apply it to specific financial situations.

Trait 2: We saw that 100% of the students met or exceeded the expectation, which is well above our target of 90%. This is not a surprise, as this is straightforward topic that has been employed previously in the program. The data suggests that this is something that we are conveying effectively, in that the students not only understand the concepts but also are able to apply it to specific financial situations.

Overall, the results that all students met or exceeded expectations indicates that the fundamental concept of the “time value of money”, which is at the heart of financial analysis, has been covered appropriately in the first semester of the program. This is important, as this concept will continue to be used in the next three semesters of the program.