

MSFA AY 2019-2020 Assessment

Phase 1: Assessment Plan

Learning Outcome Assessed

MSFA Learning Outcome 1-3

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 - Accounting: Describe and interpret financial accounting concepts and measurements to (i) use financial statements and footnotes to analyze and investment valuation; (ii) analyze a company's liquidity, profitability, financial stability, solvency and asset utilization; and (iii) analyze the effects of alternative accounting methods and assumptions on firm valuation.

Assessment and Evaluation Method

The assessment was based on five assignments and the final exam. Students had to identify the relevant accounting concepts and methods, undertake the calculations, and explain the importance of each calculation in analyzing a company.

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 task at hand. Use and interpret the accounting method to evaluate one firm over time, and one firm compared to similar firms.

Trait 2: Undertake a comprehensive evaluation of a company from the financial statements. This involves recognizing which accounting aspects are most important for *financial analysis*, and explaining why.

Trait 3: For a company assigned to each student, undertake comprehensive free cash flow accounting for valuation purposes.

Targeted Performance [Based on Rubrics]

Our assessment target is that 80% of the students meet or exceed expectations.

Rubric:

LO1.2: Analytical Tools-Accounting	Exceeds Expectations (3)	Meets Expectations (2)	Below Expectations (1)
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. Use and interpret the accounting method to evaluate one firm over time, and one firm compared to similar firms.	All the work is completed and the grades on the assignments averaged > 90%.	All the work is completed and the grades on the assignments averaged > 75%.	All of the required work is not completed.
Trait 2: Undertake a comprehensive evaluation of a company from the financial statements. This involves recognizing which accounting aspects are most important for <i>financial analysis</i> , and explaining why.	All key accounting aspects were identified, with an insightful explanation of the importance of the evaluation.	The evaluation of the firm was mostly complete, with a satisfactory discussion and analysis of the methods employed.	The evaluation of the firm was incomplete.
Trait 3: For a company assigned to each student, undertake comprehensive free cash flow accounting for valuation purposes.	Did this correctly on the first attempt and required no revision.	Eventually did this correctly after review and feedback from the instructor.	Did not do this correctly after review and feedback from the instructor.

Course where learning outcome was assessed:

MSFA 726: Advanced Financial Statement Analysis, Spring 2020

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 three traits as described above.

Results

LO1.2: Analytical Tools- Accounting	Exceeds Expectations (3)	Meets Expectations (2)	Below Expectations (1)
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. Use and interpret the accounting method to evaluate one firm over time, and one firm compared to similar firms.	20	17	2
Trait 2: Undertake a comprehensive evaluation of a company from the financial statements. This involves recognizing which accounting aspects are most important for <i>financial analysis</i> , and explaining why.	12	23	4
Trait 3: For a company assigned to each student, undertake comprehensive free cash flow accounting for valuation purposes.	12	27	0

Phase 3: Closing the Loop

Trait 1: We saw that 95% of the students met or exceeded expectations, which is well above our target of 80%. This result is likely somewhat due to the fact this course was offered remotely, with an open-note, open-book exam. In any event, overall there was a very good understanding of the relevant accounting related to the financial statements,

Trait 2: We saw that 90% of the students met or exceeded expectations, which is well above our target of 80%. However, we would like to have seen more students exceed expectations. This appears to indicate that most students appeared to treat the course from a “mechanical” perspective, rather than from a “thinking and analytical” perspective. This is somewhat typical of accounting courses, and the lack of in-person teaching may have contributed to an under emphasis on analysis.

Trait 3: We saw that 100% of the students met or exceeded expectations, which is well above our target of 80%. This is not a surprise, as this is an exercise where students are given a precise guide and template for undertaking this work, and are allowed to revise this based on feedback from the instructor.