

MSFA AY 2019-2020 Assessment

Phase 1: Assessment Plan

Learning Outcome Assessed

MSFA Learning Outcome 1-2

PO 1:

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

LO 2:

Analytical Tools - Economics: Recognize and explain how macroeconomic and microeconomic events impact key components of economic activity, including industry structure, firm profitability, macroeconomic output, prices, interest and exchange rates.

This assesment of LO 1.2 focused on macroeconomics covered in MSFA 716.

Assessment and Evaluation Method

The assessment was based on three interrelated questions. The focus was to relate a classroom discussion to the real world of macroeconomics based on six articles. *The articles are provided in separate documents to this report.*

Assignment: The following questions are to be answered with the readings 1 through 1.5 in the Topic VI folder. Each part of the answer must specify the paragraph(s) and the article being used for the answer.

1. (a) What factors can cause the NREG to change from one time period to another?
(b) For various time periods, which factors have moved in which way for the U.S.
2. Identify various estimates of the NREG, and the time period of the estimate, for the U.S. Explain the key determinants of the value of the NREG.
3. Identify various estimates of the NRU, and the time period of the estimate, for the U.S. Explain the key determinants of the value of the NRU.

Trait 1: Identify the relevant information. Students demonstrate the ability to effectively identify the key variables and relate these to classroom discussions. This has been done in class for other articles and topics, so the students should have a good grasp of the nature of this exercise.

Trait 2: Explain why the NREG and NRU have changed in value, and the key underlying determinants of these two concepts. Students identify the key conceptual determinants of the natural rate of economic growth (NREG) and the natural rate of unemployment (NRU), and relate these to the quantitative values of the NREG and the NRU in the U.S. in various time periods. Students identify and explain the key root factors (“driving forces”) that can lead to changes in the NREG and NRU.

Students were assessed and evaluated by being assigned to read 6 factual and analytical articles. These articles are at a relatively sophisticated macroeconomic perspective. The average reader would have very little analytical understanding of these articles if they had not studied macroeconomics at an advanced level.

Targeted Performance [Based on Rubrics]

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

Rubric:

LO1.2: Applied Macroeconomics	Exceeds Expectations (3)	Meets Expectations (2)	Below Expectations (1)
Trait 1: Students demonstrate the ability to identify all quantitative estimates of the NREG and NRU.	All estimates and the dates are identified.	Seventy-five percent of the estimated values are identified.	A number of key estimated values are not reported.
Trait 2: Students identify and <i>explain</i> the key underlying factors that determine the values of the NREG and NRU, and relate this to the conceptual and analytical discussion in the classroom. This is a two-level explanation, e.g the NREG is determined by variables X and Y, and variable X is determined by A, B and C and variable Y is determined by D, E and F.	Student identifies <i>almost all</i> the values of the NREG and NRU, and provides a <i>complete explanation</i> of the underlying determinants, and changes in values from one time period to another. Student identifies some important insights beyond what was asked in the exercise.	Student identifies <i>most</i> the values of the NREG and NRU, and provides an explanation of the underlying determinants, but does not go into extended discussion as has been done in class.	A student only provides statements of fact instead of explaining “cause-and-effect” determination, and excludes some key ideas in the articles.

Course where learning outcome was assessed:

MSFA 716: Macroeconomics for 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

LO1.2: Applied Macroeconomics	Exceeds Expectations (3)	Meets Expectations (2)	Below Expectations (1)	% Students Meeting or Exceeding Expectations
Trait 1: Students demonstrate the ability to identify all quantitative estimates of the NREG and NRU.	16	18	2	94%
Trait 2: Students identify and <i>explain</i> the key underlying factors that determine the values of the NREG and NRU, and relate this to the conceptual and analytical discussion in the classroom. This is a two-level explanation, e.g. the NREG is determined by variables X and Y, and variable X is determined by A, B and C and variable Y is determined by D, E and F.	12	20	4	89%

Phase 3: Closing the Loop

Trait 1: We saw that 94% of the students met or exceeded the expectation, which is well above our target of 80%. The data suggests that this is something that we are conveying effectively, in that the students not only understand the concepts but also put forth sufficient effort to apply it to the real world.

Trait 2: Here, 89% of the students met or exceeded the expectations. While this is above our target of 80%, we would like to improve on this area. This will require more attention in class to emphasizing that students need to put forth a stronger effort, and focusing on the difference between “providing an explanation” and “stating a fact”. We suspect some of this comes from the fact that a large number of students do not have English as their first language.