

## ASSESSMENT ACTIVITY IN BA320

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### ACTIVITY

In an effort to assess our students' knowledge of the underlying concepts in finance (BBA Learning Goals 1 and 2), Dr. James Taylor administered a series of Pre- and Post-tests in BA320 in the beginning of Spring 2009.

### TEST INSTRUMENT

The tests used in BA320 are tests in a multiple-choice format. The first test contains 20 standard questions on materials covered in the first four chapters of the Introductory Finance textbook. The test was developed by Dr. Taylor in February 2009 by selecting 10-12 questions per chapter from the student online quizzes of the textbook companion website, then narrowed down the questions to the most relevant 4-5 questions per chapter.

The same test was used when the Post-test was administered upon completion of Chapter 4 (in early March 2009 in this current semester). This guarantees that the same questions are asked. In addition the test questions were made electronically available to the students so that there would be no unnecessary copying of questionnaires, which is consistent with the UOG Green Initiative.

The second test has been developed to include questions on materials covered in the next four chapters (Chapters 5-8). It consists of 20 multiple-choice questions, designed similarly to the first test. The same questions will be administered as a Post-test after Chapter 8 has been discussed.

The course does not teach to the tests. The test results are not included in their course grade calculation.

### TEST RESULTS

	Spring 2009, Chapters 1-4		Spring 2009, Chapters 5-8	
	Pre-test	Post-test	Pre-test	Post-test
Average (out of 20 questions)	7.6	10.2	8.7	
Std Dev	2.04	2.51	2.3	
High	12	16	13	
Low	3	7	4	
Respondents	25	25	25	
z-stats		4.02***		

The above results show an improvement over students' average score, indicating their greater knowledge of course materials covered in the first four chapters of a typical introductory finance textbook. Use of z-statistics shows that the increase in students' average scores is statistically significant at a 1% level.

Also reported above is the result of the second Pre-test, which covers topics and concepts in the next four chapters of the course textbook.

The above results were made available on March 16, 2009 and will be discussed at the Assurance of Learning Committee meeting in April 2009.

## HOW ACTIVITY IS LINKED TO THE COURSE-LEVEL STUDENT LEARNING OBJECTIVES

The course syllabus stated the following:

a. Participation in this course provides an introductory level understanding of the subject of finance and its role in business. The topics covered include:

- (1) the role of finance in a firm;
- (2) the financial markets and the way they provide resources to business;
- (3) the relationship between accounting and finance;
- (4) the measurement of corporate performance;
- (5) the time value of money;
- (6) the place of bonds and stocks in financing a firm;
- (7) the use of net present value and discounted cash flow in decision making;
- (8) the relationship between risk, return and capital budgeting.

These are studied as the underlying concepts in finance. At times the relationship between finance and other business processes are reviewed. The general point of view is that the subject of finance is the generation and management of business resources. The three subject exams provide evidence for this learning. (Goals 1 and 2).

b. The major financial markets are introduced to provide an understanding of their role in providing financial support for businesses. The three subject exams provide evidence for this learning. (Goal 3).

c. A primary individual student outcome from the course is a written paper showing the financial analysis of a major company using Du Pont ratio methodology. In addition this paper will be incorporated into the annual contest supported by the Asia Pacific Association for Fiduciary Studies. (Goals 2, 4, 5, 6, 7, and 9)

d. Students will have a guest lecture by a Guam businessman on the role of banking in serving businesses on Guam. Topics covered are tested in the three subject exams (Goal 4, 8).

e. At least twice during the semester the students will be assigned to groups responsible to work together using NPV and discounted cash flow techniques to determine the financial viability of a proposed project. Students will be required to make a brief oral presentation of their conclusions. Students will evaluate the participation of their peers using a Likert type instrument. (Goals 4, 5, 6, 10, and 11)

This Pre- and Post-tests assess whether the first course SLO has taken place.

## CLOSING THE LOOP

This test is not a national, standardized test with benchmarks against which we can compare our students' performance. For this reason, it was necessary to collect a data over several semesters to get an idea of our students' performance. The finance faculty, comprised of Dr. Craig Thompson, Dr. James Taylor, and Dr. Claret Ruane, have also discussed the sharing the different test instruments and the possibility of using the same assessment test in the different sections of the same course (BA320).