

**OKLAHOMA STATE UNIVERSITY
ACADEMIC PROGRAM REVIEW
EXECUTIVE SUMMARY**

DEPARTMENT OR DEGREE PROGRAM: Spears School of Business Bachelor of Science in Business Administration with a Major in Finance

The Bachelor of Science in Business Administration with a Major in Finance program offers students an educational opportunity to pursue careers in financial management within business firms, government entities, and non-profit organizations, or in financial services, which includes careers in banking, personal financial planning, investments, real estate and insurance. These careers contribute to the successful functioning of Oklahoma's economy as well as the global economy. The BSBA with a major in Finance is consistent with the missions of Oklahoma State University, the Spears School of Business, and the Department of Finance.

Students majoring in Finance receive a well-rounded education. They complete the broad general education requirements, the common body of basic business competency, and advanced courses in finance. The BSBA with a major in Finance graduate should have an understanding of financial markets, institutions, and instruments and the analytical skills to make sound financial decisions at all levels of a business or other organization. The coursework is designed to promote the acquisition of knowledge of facts and ideas, development of analytical skills, and the ability to synthesize ideas, make judgments about information and inferred conclusions, and apply theories to practical problems. The faculty periodically reviews the curriculum using information from annual assessment reports; input from alumni, finance professionals and recruiters; and advances in the discipline and makes program modifications.

The BSBA with a major in Finance program is effective and efficient. There is demonstrated demand for the program as measured by number of majors and student credit hours taught. Finance ranks 4th of 58 undergraduate majors at OSU in terms of degrees granted. Demand for its graduates is strong as evidenced by large number of recruiters of business students, the success of the alumni, and the occupational outlook for future graduates in Finance. The high quality of the Finance faculty is indicated by its productivity in scholarship, commitment to quality instruction and receipt of teaching awards, service to the profession and institution, and national recognition. The program uses state-of-the art technology in instruction.

The BSBA with a major in Finance program makes effective use of resources. The number of undergraduate finance majors increased 41.7 percent during the review period. The number of undergraduate student credit hours taught increased by 21.9 percent. For the most recent year, Fall 2004, the student-faculty ratio was 27.0. In constant dollars, the Cost per Student Credit Hours decreased 26.7%. The BSBA with a major in Finance program does not duplicate other programs at OSU. Finance is a core discipline in professional business educational programs. The vitality of the BSBA with a major in Finance program is ensured through assessment, accreditation, and frequent review.

This review concludes with a summary of the strengths of the program, areas for improvement, recommendations for actions and five-year goals for the program.

Dean


(Signature)

Date

3/1/05

OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION

2004 - 2005

ACADEMIC PROGRAM REVIEW

BACCALAUREATE, MASTERS & DOCTORAL DEGREES

OKLAHOMA STATE UNIVERSITY

Bachelor of Science in Business Administration with a Major in Finance

Title of unit or degree program reviewed (Level III)

With options (Level IV) in:

General Finance

Commercial Bank Management

Bachelor of Science in Business Administration with
a Major in Finance

Degree designation as on diploma (Level II)

B.S.B.A.

Formal degree abbreviation (Level I)

Degree-granting academic unit Spears School of
Business-Department of
Finance

(Name)

305

(Cost Center)

CIP code 520801

HEGIS code 0504

Instructional Program code 446

Name of department head Janice W. Jadlow

(person who oversees degree program listed above)

Program holds specialized accreditation from AACSB--International

Name and title of contact person Janice W. Jadlow

(Name)

Associate Professor and Head, Department of Finance

(Title)

Date of Institutional Governing Board Review: _____

President _____

(Signature)

Date: _____

OVERVIEW

A. Description of the Departmental/Program Review Process

The B.S. in Business Administration with a major in Finance program is an undergraduate degree program within the Spears School of Business. The SSB curriculum committee, with counsel of the SSB faculty, sets the general education requirements and business common body requirements for the B. S. in Business Administration degree for all majors. Each department acts independently in determining its specific requirements for the major. In the Department of Finance the finance faculty as a whole periodically reviews the curriculum and makes program modifications. Included in this review is the information gathered from the annual assessment report for the SSB. For this Academic Program Review, the department head gathered the information and drafted the report. The draft was distributed to the Finance faculty for its review and, input was requested specifically from the department Assessment Committee and Strategic Planning Committee. A department meeting was held to discuss the report before the Academic Program Review was finalized.

B. Recommendations from Previous Program Reviews

The Recommendations for Action from the 1995 Program Review are listed below in italics and the actions taken to address the recommendations of the program faculty from the last program review are listed in regular font.

- 1. The Department of Finance should review and evaluate the curricula for both undergraduate finance programs (the finance major and the finance - commercial bank management major) to ensure that they meet the needs of the students and their potential employers.*

The Finance faculty has periodically reviewed the curricula. The two majors in the department, Finance and Finance Commercial Bank Management, were revised to be two options within the finance major. Feedback from employers and recent graduates has been incorporated primarily by means of adjustments within existing courses.

- 2. The Department of Finance should encourage the attainment of the latest technology and technical support for its faculty, its students, and the curriculum.*

The creation of the (CBA/initially Dynege) Trading Floor established a “state-of-the-art” facility for teaching the theory and practice of financial analysis and risk management. The Department of Finance has secured funding to increase the number of databases available to students and faculty. The SSB computer lab is upgraded every three years to ensure student access to using the latest technology. The computers for faculty are upgraded every three years.

- 3. The Department of Finance should encourage greater development of technology and communications skills in graduates of the undergraduate programs.*

The creation of the (CBA/initially Dynege) Trading Floor established a “state-of-the-art” facility for teaching the theory and practice of financial analysis and risk management. The

technology, software and data available in this facility have been incorporated in the majority of the undergraduate courses on the Stillwater campus. The Tulsa campus has computer classrooms for the courses using technology for financial analysis. Students in the program graduate with working knowledge of technology applicable to the finance discipline.

Communications skills are encouraged by including student presentations and/or papers in some of the finance courses, in addition to the requirement of a communications course for the finance major. Several Finance students are in the Honors program and/or selected as Wentz Scholars. These students complete projects that utilize and enhance communication skills and the use of technology.

4. *The Department of Finance should better communicate with students in finance classes the broad range of career paths available to finance majors.*

For the Stillwater campus, the establishment of Career Services office for undergraduate business majors in the Business Building has greatly enhanced the availability of information about careers in finance. On the Tulsa campus, the Career Services office is easily accessible and provides this information. Specifically in the Department of Finance, undergraduate classes often host finance professionals as guest speakers and promote membership in the OSU student chapter of the Financial Management Association (FMA). The FMA meets bi-weekly to host finance professionals as speakers about careers in finance. The national FMA provides a book about Careers in Finance to its members and the department keeps an inventory of these books for interested students. The department encourages potential leaders for the FMA to attend the FMA Leadership Conference in Chicago each spring.

5. *The Department of Finance should explore the feasibility of a corporate internship program parallel to the OBA Summer Bank Internship program for qualified undergraduates.*

The Department of Finance has created a course, Applied Financial Studies, for finance majors with internships related to banking and finance. The academic component relates to the internship and, thus, differs between the bank interns and the non-bank interns.

6. *The Department of Finance should consider the development of an Executive Advisory Board to provide input concerning the qualities and skills desired in finance graduates.*

The Department of Finance established an Executive Advisory Board and hosted several meetings with the board. Subsequently attendance diminished and the Board is currently inactive.

CRITERION I: Program Centrality

A: Goals & Objectives of Degree Programs

Degree Program: Bachelor of Science in Business Administration with a major in Finance

Program Clientele: The students majoring in Finance on the Stillwater campus are primarily traditional, full-time undergraduate students. On the Tulsa campus, the students are primarily part-time students and reflect greater diversity.

Program Objectives: The goal of the undergraduate finance program (BSBA with a major in Finance) is to educate students for careers in financial management or financial services. Financial management concerns the financial affairs of many types of business organizations, government entities, and non-profit groups, as well as individuals. Financial managers oversee the preparation of financial plans, budgets and reports, evaluate existing and proposed asset investments, raise capital and arrange project financing, manage cash balances, administer a firm's credit policy, manage a firm's financial risk, and communicate with stockholders and other stakeholders. Financial services is the area of finance concerned with advice regarding and delivery of financial products. It includes careers in banking, personal financial planning, investments, real estate, and insurance.

Expected Student Outcomes: As an accredited member of AACSB - International, the plan of study for BS in Business Administration with a major in Finance degree shares the goals and objectives of all accredited members of the association. Students majoring in Finance complete a broad general education, the common body of basic competency in all business disciplines, and advanced knowledge in finance. The undergraduate finance graduate should have an understanding of financial markets, institutions, and instruments and the analytical skills to make sound financial decisions at all levels of a business or other organization. The coursework is designed to promote the acquisition of knowledge of facts and ideas, development of analytical skills, and the ability to synthesize ideas, make judgments about information and inferred conclusions, and apply theories to practical problems.

B. Linkage of the Program to Institution's Mission

OSU's mission states: "Proud of its land grant heritage, Oklahoma State University advances knowledge, enriches lives, and stimulates/enhances economic development through instruction, research, outreach, and creative activities."

The mission of the Spears School of Business is contained in the statement: "The mission of the College of Business Administration, with internationally recognized areas of excellence and innovation, is to serve its stakeholders through its role as a professional college in Oklahoma's comprehensive land-grant university."

The Department of Finance's mission states: "The Department of Finance is an academic department in the College of Business Administration of Oklahoma State University that:

(1) prepares students for successful careers by providing a quality education through the efforts of caring, dedicated, and qualified faculty, (2) conducts basic and applied research on topics of significance to the financial and business community, (3) serves business, government, and non-profit organizations through education and outreach, and (4) provides advanced graduate education for students seeking academic or research careers.”

The undergraduate Finance program (BSBA with a major in Finance) directly supports these missions by providing a program that educates the students for successful, professional careers related to finance. The program enhances the general education provided by OSU, typically in the first two years, with basic competency of all the business disciplines and more advanced knowledge of finance. Although numerous OSU finance graduates have successful careers in financial centers around the world, most graduates are employed in the region. Many of the graduates of the program have achieved successful careers as business professionals and make significant contributions to the economy and society.

CRITERION II: Program Curriculum and Structure

A. Program Structure

The degree program for the Bachelor of Science in Business Administration with a major in Finance is 120 credit hours, composed of general education requirements, the business common body, and the finance major requirements. Details are provided in the program requirements sheet on the following page.

OKLAHOMA STATE UNIVERSITY

GENERAL REQUIREMENTS

For students matriculating:

Academic Year 2004-2005

Total hours 120

Minimum overall grade-point average 2.50

Other GPA requirements, see below.

COLLEGE OF

BUSINESS ADMINISTRATION

BACHELOR OF

SCIENCE IN BUSINESS ADMINISTRATION

DEGREE

FINANCE

MAJOR

(3 OPTIONS)

OPTION

General Education Requirements <u>34</u> Hours			Major Requirements <u>72</u> Hours	
Area	Hrs	To Be Selected From	Common Body <u>36</u> Hours	Finance Major Requirements <u>36</u> Hours
English Composition and Oral Communication	6	ENGL 1113 or 1313; and 1213 or 1413 (See Academic Regulation 3.5 in Catalog.)	ACCT 2103	Core Courses: ACCT 3433 ECON 3313 FIN 4113, 4223, 4333 3 hours from: BCOM 3113, 3223, 3333 ENGL 3323 SPCH 3703, 3723, 4753, 4763 Select one of three options listed below: 18 hours 1. General 15 hours from: FIN 3713, 4063, 4213, 4443, 4453, 4550, 4613, 4763, 4813, 4913 3 hours from: ACCT 3013, 3203, 3603, 4433 STAT 3013 2. Commercial Bank Management FIN 4063, 4443, 4453 6 hours from: FIN 3713, 4213, 4550, 4613, 4763, 4813, 4913 3 hours from: ACCT 3013, 3203, 3603, 4433 STAT 3013 3. Risk Management FIN 4613, 4763, 4913 STAT 3013 6 hours from: FIN 3713, 4063, 4213, 4443, 4453, 4550, 4813 (A minimum GPA of 2.50 is required in these 36 hours.)
American History and Government	6	HIST 1103 POLS 1113	ACCT 2203	
Analytical and Quantitative Thought (A)	3	MATH 1483 or 1513	ECON 2103	
Humanities (H)	6	Any courses designated (H).	ECON 2203	
Natural Sciences (N)	7	One course designated (L, N). One course designated (N).	MSIS 2103	
Social and Behavioral Sciences (S)	6	Any courses designated (S).	STAT 2023	
International Dimension (I)	-	Any course designated (I).	BADM 3513	
Scientific Investigation (L)	-	Any course designated (L). Students are encouraged to meet the requirement in their selection of (N) course work.	FIN 3113	
College/Departmental Requirements <u>7</u> Hours			LSB 3213	
Orientation	1	BADM 1111	MGMT 3123	
Analytical and Quantitative	3	MATH 2103	MKTG 3213	
Oral Communication	3	SPCH 2713	MSIS 3223	
Electives <u>7</u> Hours				
May be selected from any upper- or lower-division area except activity courses in LEIS and PE and lower-division AERO and MLSC. Twelve credit hours earned in advanced AERO and MLSC, exclusive of credit earned for summer camp, may be included in the 120 hours.				
Other Requirements: 1. No more than 50 percent of the 120 total hours may be earned in College of Business Administration courses. However, MSIS 2103 and up to 9 hours of ECON may be counted as outside the CBA. 2. A minimum of 50 percent of the business hours required for a degree as well as the last 30 hours must be in residence at OSU. 3. Forty-five hours of junior/senior level courses (3000 or above) are required.				
Students will be held responsible for degree requirements in effect at the time of matriculation (date of first enrollment) and any changes that are made, so long as these changes do not result in semester credit hours being added or do not delay graduation.				

DEAN

BA-5

DEPARTMENT HEAD

B. Distance Education

The personal finance course (FIN 2123) is offered as an online (distance learning) course beginning Spring 2005. This course is a general elective available for any major.

C. Articulation Agreement

The Oklahoma State Regents for Higher Education distributes transfer matrices that outline like-type courses that will transfer among Oklahoma's public colleges and universities. In addition, each bachelor's degree-granting university lists the requirements for each of its bachelor's degree programs and publicizes those requirements for use by all other colleges and universities.

Course Equivalencies (tables of courses) that are transferable among Oklahoma public colleges and institutions are available by year and academic discipline on-line at www.okhighered.org/student-center/transfer-stdnts/course-transfer.shtml

D. Multidisciplinary Programs

The undergraduate Finance program (BSBA with a major in Finance) includes general education requirements and the business common body requirements, i.e., courses outside the Department of Finance, but it is not a formal interdisciplinary program.

The Department of Finance has a 3/2 program arrangement with the Accounting Department whereby students may be admitted to the professional program in accounting at the end of their junior year. During the next two years (fourth and fifth years), they take a mixture of Accounting and Finance courses at the undergraduate and graduate levels. At the end of the fifth year, they receive a BSBA in Finance and an MS in Accounting.

Some the degree requirements for other majors in the SSB list finance courses as guided electives (general business, international business, management, and management information systems). Some programs outside the SSB list finance courses as guided electives (agribusiness-finance, agricultural economics - international agricultural marketing, animal science-ag communications double major, animal science-business, animal science-international, animal science-livestock merchandising, animal science-ranch operations, forestry-forest management, horticulture-horticulture, A&S economics-international relations, aviation sciences-aviation management, aviation sciences-technical services management, construction management technology-building, construction management technology - heavy, hotel and restaurant administration, nutritional sciences - foods and nutrition, human environmental sciences – professional studies - business); finance enrollments from the non-SSB majors is small.

CRITERION III: Program Resources

A. New Facilities and Major Equipment

The creation of the CBA (initially Dynege) Trading Floor in the SSB established a “state-of-the-art” facility for teaching the theory and practice of financial analysis and risk management. The initial cost for the physical facility was approximately \$500,000. Software and databases for the facility cost approximately \$126,000 annually. Hardware is upgraded every three years at a current estimated cost of \$131,000.

The Department of Finance has used private donations to increase the number of databases available to students and faculty.

To the extent possible and according to the needs of the course, undergraduate students are taught using the latest in technology-assisted learning with classroom computers and presentation equipment. Classes meet in classrooms across campus with a wide range of technology (including none) available. Within the SSB, facilities are managed at the school level. Hardware is upgraded every three years to ensure student access to using the latest technology. The computers for faculty are upgraded every three years.

Technology in SSB classrooms: Twelve classrooms under the control of the SSB were equipped at a cost of \$140,000 during the summer of 2002 with new projection units including instructor work stations, dedicated desktop computers, ceiling-mounted projectors, each with internet access. Five new mobile projection units are available for SSB faculty teaching in classrooms not similarly equipped.

Technology available to students: Over the summer of 2002, a computer lab in the SSB building open to all students was upgraded at a cost of \$220,000 with 78 new desktop computers with flat screen monitors and extensive software and data programs. Four full-time professionals and 1.0 FTE part-time students service the computer support needs of the SSB faculty, staff and students.

B. Academic and Administrative Efficiencies

The Finance Major - Risk Management option introduced in the past five years has been eliminated. The enrollments were low in the option-specific courses, undergraduate students did not have sufficient background courses to make the program viable, and the foreseen demand for the graduates was short-lived as a result of changes in the economy and energy industry scandals.

For the undergraduate Finance course offerings, enrollments have increased as the number of student credit hours has increased without proportional increase in instructors. SSB faculty offer classes with student/faculty ratios among the largest offered at OSU, thereby generating large student credit hours per faculty and, in addition, they are accountable for research, student career advising and other professional obligations. In constant dollars, the Cost per Student Credit Hour decreased 26.7% between 2000 and 2004.

There has been a significant increase in administrative demands due to the development and growth of the undergraduate degree program, the addition of the undergraduate degree program in Tulsa, need to hire adjunct faculty, and increased demands for reports and plans.

SSB staff is administered at the school level. The SSB reduced staff in the face of budget cutbacks eliminating three secretarial positions and significantly reducing student employees. Specific to the department, the Department of Finance no longer has a work-study student to help the unit assistant with office tasks.

C. External Funding

The Department of Finance, as with other business disciplines, has few opportunities for externally funded research grants. For the review period, the department has one externally funded grant from the Office of the State Treasurer in the amount of \$9,750. The Department of Finance has received several large private donations in the recent years to support the Trading Floor, Williams Institute of Quantitative Finance, Center for Risk Management, Watson Family Chair in Commodity and Financial Risk Management, and Paul C. Wise Chair in Finance. The Oklahoma State University Five-year Academic Report Card for Finance reports External Funding-Sponsored Expenditures of \$43,821 for the review period. The Department also offers professional development programs for organizations and the public as demand warrants through the Center for Executive and Professional Development.

CRITERION IV: Productivity

A. Number of Majors (headcount), Student Credit Hours, and Average Time to Graduation

The number of undergraduate finance majors increased 41.7 percent during the review period, from 259 majors in Fall 2000 to 367 majors in Fall 2004. The number of undergraduate student credit hours taught increased by 21.9 percent, from 3,537 to 4,290. The average time to graduation for the undergraduate finance major is 8.5 full time semesters, a slight increase of 3.6 percent over the review period. See attached copy of the Five year Academic Ledger for Finance for additional details.

B. Faculty Ratio and Class Size

The student faculty ratio reported on the Five Year Academic Ledger ranges between 24 and 31. For the most recent year, Fall 2004, the student-faculty ratio was 27.0. Over the review period, tenured/tenure track faculty taught a declining percentage of undergraduate students. Tenure and tenure-track faculty taught fifty percent (50%) of the undergraduate classes in Fall 2004 compared to fifty-nine percent (59%) in Fall 2000.

The number of undergraduate sections taught has increased as the enrollments have increased, from 22 in the Fall 2000 semester to 32 for Fall 2004. These figures represent a 45.5 percent increase in the number of undergraduate classes taught. Increased use of doctoral students and adjuncts supported the increase in sections offered.

Average class size for all undergraduate finance sections for the two campuses combined ranged between 42 and 51 students in a class for each fall semester in the review period. The average class size has decreased somewhat over the period. This decrease is primarily a reflection of increase in Tulsa class offerings, which have smaller undergraduate class sizes relative to Stillwater, as well as additional doctoral graduate teaching associates and adjuncts to teach additional sections.

For example, on the Stillwater campus, the largest undergraduate sections were in the Banking Strategies class with a Fall 2003 enrollment of 90 students and Fall 2004 enrollment of 65 students. Also, the department added a third section of investments for Fall 2004 because the total enrollment was approximately 140 students, which is too many to teach investment effectively in only two sections. The department should offer four sections in Stillwater because the class uses a team based learning pedagogy and has a significant security analysis project.

Although average class size on the Tulsa campus is smaller than Stillwater, total enrollments in Finance classes at OSU-Tulsa increased significantly. Student credit hours for undergraduate finance courses offered at OSU-Tulsa increased 1,471.4%. The number of finance majors at OSU-Tulsa increased from 7 to 110 between the Fall 2000 semester and Fall 2004.

There is a need for additional Finance faculty on both campuses to achieve the standards for reaccreditation. There will be a vacancy on the Tulsa campus after next year, the Watson Family Chair in Financial and Commodity Risk Management remains vacant, and the declining percent of undergraduates taught by tenured and tenure-track faculty jeopardizes reaccreditation of the SSB. The competitive market salaries for finance faculty are increasing significantly each hiring cycle. For the Watson Chair position, the anticipated salary offer is approximately \$50,000 a year below other Big 12 Finance Endowed Chair salaries. At the "rookie" level, Big 12 starting salaries are approximately \$25,000 above the anticipated OSU offer to replace the Tulsa faculty member.

C. Five (5) Year Average Number of Degrees Conferred and Majors

Over the past five years, 597 candidates have graduated with the Finance (BSBA with a major in Finance) degree, an average of 119.4 per year. The OSU Student Profile for Fall 2004 reports that more Finance majors earned degrees than all but three other majors at Oklahoma State University. For the 2003-04 academic year, 160 Finance bachelor degrees were granted. Fifty-four (54) majors granted fewer degrees.

The Department of Finance confers over 23 times the OSRHE standard for baccalaureate degrees of five per year. The number of Finance majors for Fall 2004 was 367, which is 29 times the OSRHE minimum productivity standard for number of majors.

CRITERION V: Quality

A. Program Faculty Qualifications

The Finance faculty is active in teaching, research, and service. The attached table, Table A, reports the members' educational qualifications and scholarly activities.

B. Evidence of Regional/National Reputation and Ranking

The Student Chapter of the Financial Management Association International has been awarded Superior Chapter recognition all but one year during the review period. It is one of fewer than a dozen chapters so recognized in competition among over 250 student FMA organizations. For Spring 2005, the President of the OSU FMA student organization was invited to be a speaker at the FMA Leadership Conference in Chicago. This honor results from the OSU Finance Department's long history of Superior Chapter recognition.

An OSU Finance major was one of only three students nationwide selected for the prestigious Pamela Harriman Foreign Service Fellowship for students considering careers in public service. The fellowship includes an internship with the U.S. Embassy in London. The other finalists were from Ivy leagues schools.

OSU Finance faculty members are active in the national and regional professional associations. Several faculty members held/hold positions of leadership in professional academic associations, including Director, President, Vice-President in charge of the program, program committees, editorial boards, and finance editor for a multidisciplinary business journal. Most faculty members are asked to serve the profession as reviewers of manuscripts submitted to finance journals. Several faculty members have been invited to other campuses to present their research. Finance researchers at other universities across the nation frequently cite research articles published by OSU Finance faculty in their subsequent publications. Two Finance faculty members have been selected to teach in the Consortium International MBA (CIMBA) and the Consortium International undergraduate programs in Italy. Oklahoma State University is a member of the consortium, which is administered through the School of Business of the University of Kansas. A research article by two OSU Finance faculty members has been referenced in articles in the *Chicago Tribune*, *Houston Chronicle*, and the *Kansas City Star* as well as several trade publications.

C. Scholarly Activity

A list of research publications during the review period is provide in Table B (attached).

D. Assessment of Student Achievement of Expected Learning Outcomes for Each Degree Program

Expected Student Outcomes: As an accredited member of AACSB—International, the plan of study for BS in Business Administration with a major in Finance degree shares the goals and

objectives of all accredited members of the association. Students majoring in Finance complete a broad general education, the common body of basic competency in all business disciplines, and advanced knowledge in finance. Student outcomes are assessed frequently and thoroughly in the coursework. Written examinations, case studies, papers, and presentations provide traditional outcome assessments.

In the current assessment plan, the undergraduate BSBA program uses two formal methodologies:

- The OSU Survey of Alumni of Undergraduate Programs
- Annual NSSE-type satisfaction survey of the SSB current students

During 2003-2004, for example, 363 finance junior or senior students were surveyed by in the BADM 3513 class required of all majors. Seventy-three finance majors responded, which is a 20 percent response rate and above the SSB average. The results are summarized in the following section.

E. Overview of Results from Program Outcomes Assessment

Based on recent assessments, BSBA students express the view that they have had an overall good academic experience with the undergraduate program in Finance. They also indicate that if they could start over again they would likely still choose to major in Finance at OSU. They also indicate that their classes provided significant emphasis on such mental activities as memorizing, analyzing, synthesizing, making judgments, and applying theories or concepts to practical problems and challenged them to do their best work.

F. Feedback from Program Alumni/Documented Achievements of Program Graduates

The OSU surveys biannually alumni of graduates from the each of the SSB programs. The results from the Finance alumni are positive. With regard to satisfaction with the quality of instruction received in the finance major, 100 percent were either somewhat satisfied (30%) or very satisfied (70%) in 2002, an increase from 97 percent in 1998. Ninety-one percent (91%) of the Finance alumni were either very satisfied or satisfied in 2002 with the overall effectiveness of SSB professors, an increase from 84 percent in 1998. Ninety-six of the Finance alumni were either satisfied or very satisfied with the amount of useful knowledge transmitted by the SSB.

G. Other Program Evaluations

The continuing accreditation from AACSB-International in 1990 pertained to all degree programs of the Spears School of Business.

CRITERION VI: Program Demand/Need

A. Occupation Manpower Demand

Current information on the job market for graduates of the BSBA programs for all majors is provided by OSU Career Services. From August 2004-Present, OSU Career Services has had 963 jobs posted/on-campus interviews, of which 566 were seeking business students. Of those, 493 of the positions were seeking Bachelor level candidates.

On a national level, the 2004-05 edition of the U.S. Department of Labor's Occupational Outlook Handbook indicates that the employment growth for Finance graduates is favorable. For the specific career paths, the Outlook Handbook forecasts "faster-than-average employment growth of financial analysts and personal financial advisors through 2012"; employment of financial managers and employment in the securities and investments industry is expected to grow about as fast as the average for all occupations through 2012; employment in banking in general is expected to grow less than the projected growth for the economy, but greater growth is anticipated for bankers in positions of financial services representative, financial analyst and personal banker; and employment in insurance is expected to grow at the rate of the overall economy (underwriting) or a bit slower (agent).

B. Societal Needs for the Program

Management of financial affairs is a necessity in any organization, whether it is in business, government, non-profit organizations or personal life. Finance graduates fill this need of society. The finance discipline encompasses a wide variety of excellent career opportunities, many of which lead to top executive positions within an organization.

C. Graduate Student Applications and Enrollment Changes. Not applicable to the undergraduate BSBA with a major in Finance program of this review.

CRITERION VII: Program Duplication

A. Identify Other Degree Programs at OSU with Similar Titles or Functions

The only other program with a similar title is the Bachelor of Sciences and Natural Resources with a major in Agribusiness-Finance option.

B. For Similar Programs, Describe How Each Degree Program Fulfills Unique Student Needs

The focus of the Agribusiness degree is agriculture and the plan of study requires the Finance degree core courses offered by the Department of Finance. That is, the Agribusiness degree courses are not duplicative of Finance courses. The BSBA with a major in Finance focuses on finance applicable to all business organizations.

Summary and Recommendations

A. Strengths

Discussions for a S.W.O.T. analysis for the SSB in January 2003, pointed out the significant strength of the undergraduate Finance program. The Finance faculty is committed to providing high quality educational programs, interacting with the students, and seeking quality internship and career placement opportunities. Undergraduate Finance students are recognized for high quality of education and strong work ethic. The student chapter of the Financial Management Association International has been selected most years during the review period for Superior Chapter recognition, one of less than a dozen chapters recognized among over 250 student FMA organizations.

Recent initiatives (Trading Floor, Center for Risk Management, Williams Institute for Quantitative Finance, and MS in Quantitative Financial Economics) have gained significant positive visibility for the Department and College.

The Finance faculty works well as a team and blends a diversified set of skills and professional objectives within the Department to achieve the goals of the department. The faculty is willing to pursue new initiatives. Some of the faculty are establishing leadership roles and gaining visibility in the Finance profession. The members of the Finance faculty are active in research, are current in the discipline and contribute, to knowledge in the discipline.

B. Areas for Improvement

Faculty resources are stretched beyond capacity creating signs of burnout. The additional demands placed on faculty include heightened emphasis from administration on research output; increase in teaching demands ranging from significant increase (41.7 %) in number of undergraduate majors, additional course offerings and supervision of independent studies including honors theses, undergraduate Wentz research projects, and the academic components of internships; addition of new master's program and courses; revision of doctoral program; and expectation of continued activities of the Center for Risk Management and the Williams Institute for Quantitative Finance. At this point in time, the department is not meeting the accreditation standards regarding the percentage of students who are taught by tenure track faculty. Most faculty members are underpaid relative to their market value. Resignation of the holder of Watson Family Endowed Chair has created considerable void with regard to fulfilling the obligations of the MS in Quantitative Financial Economics (MSQFE) program, the Center for Risk Management and the Williams Institute for Quantitative Finance. The low salary structure is a significant factor making it difficult to attract high quality applicants to fill the position and continue the momentum gained by the initial gifts. Resource support from the state and university to support professional activities (data collection, travel to conferences, software, graduate student support, et al.) is inadequate.

C. Recommendations for Action

A significant focus in the SSB at this point in time is a substantial implementation of the assessment recommendations of the OSU Assessment Council and the strategic management

objectives of AACSB - International Standards of Accreditation. The SSB faculty committees will implement the annual review and reporting of strategic actions and budget allocations along with an active program of assessing explicit learning objectives leading to the attainment of these goals.

During the past two years, each unit at OSU developed a strategic plan for the next five years. The plan developed by the Department of Finance addresses goals and objectives for the continued accomplishment the missions of the institution, school, and department. The goal to provide value-added educational programs addresses both undergraduate and graduate programs. Relevant to this OSRHE program review of the undergraduate Finance major is the objective to “continue to provide a quality undergraduate educational experience in finance.” The strategies chosen to attain this objective are:

- Work with Foundation to obtain scholarships from corporate or individual sponsors for finance majors on both campuses.
- Encourage and reward/recognize outstanding undergraduate instruction for finance majors and other students enrolled in finance courses.
- Develop desired learning outcomes and means of assessment.
- Conduct periodic evaluation of undergraduate program.
- Continue to support an active Finance organization to develop student leadership skills and networking among students, finance professionals, and recruiters.
- Foster relationships with firms that employ finance graduates to enhance placement of students in corporation with Career Services.
- Work with Career Services to continue development of internship program for finance majors.

C. Five-Year Goals for the Program

The goals for the Department of Finance encompass more aspects of an academic unit than the BSBA with a major in Finance. The departmental goals are to provide value-added educational programs, enhance faculty scholarship, deliver effective outreach and professional activities, and develop effective centers of excellence within the Department of Finance. Progress toward these goals impact favorably the undergraduate Finance program. Measures of the degree of success over the next five years for the undergraduate Finance program (BSBA with a major in Finance) in the strategic plan are:

- Work with Career Services to increase the number of undergraduate Finance students participating in summer internships to at least 15 per year.
- Specify a minimum of four learning outcomes for undergraduate Finance majors.
- Work with Foundation to secure financial support for two or more finance students to annual Student Leadership Conference of the Financial Management Association.
- Work with Foundation to increase the number of scholarships for undergraduate finance majors by an average of 5% annually
- Develop means of assessing quality of undergraduate education

Table A: Program Faculty Qualifications

SSB Faculty	Faculty Status	FTE	Degree Date	Field	Year of Hire	Indicators of Intellectual Contributions Jan 1, 00 - Dec 31, 04:					
						Learning/Pedagogical		Contributions to Practice		Discipline-Based	
						PRJ	OIC	PRJ	OIC	PRJ	OIC
Finance											
J.W. Jadlow	Regular	1.00	1977 Ph.D.	Economics	1984						
D. Carter	Regular	1.00	1996 Ph.D.	Finance	1998	2	2	8	27	1	1
W. Dare (OSU-T)	Regular	1.00	1992 Ph.D.	Finance	2000	1		5	10		
W.B. Elliott	Regular	1.00	1998 Ph.D.	Finance	1999	1	1	3	16		
T. Gosnell	Regular	1.00	1987 Ph.D.	Finance	1995		1	1	14		
J. Harper	Regular	1.00	1996 Ph.D.	Finance	2004		1	7	10		
T.L. Krehbiel	Regular	1.00	1987 Ph.D.	Economics	1989			4	2		
R.K. Miller	Regular	1.00	1982 Ph.D.	Finance	1981		1		6	1	
J.A. Polonchek	Regular	1.00	1983 Ph.D.	Finance	1983			1	3	1	
R.P. Rao	Regular	1.00	1985 Ph.D.	Finance	2001			10	12	1	
B.J. Simkins	Regular	1.00	1997 Ph.D.	Finance	1997	4	8	9	36	2	2
W.G. Simpson	Regular	1.00	1975 Ph.D.	Finance	1978		1	4	10		
G. L. Trennepohl	Regular	1.00	1976 Ph.D.	Finance	1995						
M. Turac	Regular	1.00	2000 Ph.D.	Finance	2002	1	7	1	5		
R. Buchanan	Adjunct	0.50	1996 B. S.	Gen. Bus.	1996						
J. Haney	Adjunct	0.25	1997 B. S.	Bus. Adm.	2003						
S. Kouplan (OSU-T)	Adjunct	0.25	2002 MBA	MBA	2003						

Note:

The number of intellectual contributions is listed in the last three columns. The peer reviewed journal columns marked “PRJ” enumerated all of those intellectual contributions that have appeared in journal article form reviewed by academic and practitioner colleagues. The other intellectual contributions columns marked “OIC” enumerates all other intellectual contributions regardless of the form of the contributions, including (but not limited to) research monographs, scholarly books, chapters in scholarly books, textbooks, proceedings from scholarly meetings, papers presented at academic or professional meetings, publicly available research working papers, papers presented at faculty research seminars, publications in trade journals, in-house journals, book reviews, written cases with instructional materials, instructional software, and other publicly available materials describing the design and implementation of new curricula or courses. Intellectual contributions must be publicly available, i.e., proprietary and confidential research and consulting reports do not qualify as intellectual contributions.

Table B: Record of Significant Scholarly, Artistic and/or Creative Work

Name (Title) of Scholarly, Artistic and/or Creative Work	Program Faculty	Year completed (1999-2005)
Deregulation, technological change, and the business lending performance of large and small banks, <i>Journal of Banking and Finance</i>	David A. Carter	2005
The market's reaction to unexpected, catastrophic events: The case of airline stock returns and the September 11 th attacks, <i>Quarterly Review of Economics and Finance</i>	David A. Carter	2004
Do small banks have an advantage in lending? An examination of risk-adjusted yields on small business lending at large and small banks, <i>Journal of Financial Services Research</i>	David A. Carter	2004
Market reaction to the expiration of IPO lockup provisions, <i>Managerial Finance</i>	David A. Carter	2004
Corporate governance, board diversity, and firm value, <i>Financial Review</i>	David A. Carter	2003
Board diversity and firm performance, <i>Research in International Business and Finance</i>	David A. Carter	2003
Determination of mean-variance efficient portfolios using an electronic spreadsheet, <i>Journal of Financial Education</i>	David A. Carter	2002
Integration of operational and financial hedges in currency risk management, <i>Financiële Studievereniging Rotterdam Forum</i>	David A. Carter	2001
A retrospective evaluation of <i>Financial Practice and Education</i> over 1991-1999, <i>Financial Practice and Education</i>	David A. Carter	2000
Evidence on the financial characteristics of banks that do and do not use derivatives, <i>Quarterly Review of Economics and Finance</i>	David A. Carter	2000
The reaction of bank stock prices to news of derivatives losses by corporate clients, <i>Journal of Banking and Finance</i>	William Dare	1999
In Search of the Source of Informed Trader Information in the College Football Betting Market, <i>Applied Financial Economics</i>	William Dare	2005
The Effects of Charm Listing Prices on House Transaction Prices, <i>Real Estate Economic</i>	William Dare	2005
Efficiency in the NFL Betting Market: Modifying and Consolidating Research Methods, <i>Applied Economics</i>	William Dare	2004
Identifying Determinants of Implied Property Tax Inequity: Evidence from Florida, <i>Journal of Real Estate Research</i>	William Dare	2002

Determination of Mean-Variance Efficient Portfolios Using an Electronic Spreadsheet, <i>Journal of Financial Education</i>	William Dare	2002
Re-examining the betting market on Major League Baseball games: is there a reverse favourite-longshot bias?, <i>Applied Economics</i>	William Dare	2002
Issuer-Oriented Underpricing, Share Liquidity, and Share Value, <i>International Journal of Business</i>	William Dare	2002
The search for informed traders in the totals betting market for National Basketball Association games, <i>Journal of Sports Economics</i>	William Dare	2000
The Share Price Puzzle, <i>Journal of Business</i>	William Elliott	2004 (forthcoming)
Price Pressure on the Nasdaq and NYSE: Evidence from Additions to the S&P 50, <i>Financial Management</i>	William Elliott	2003
Fast Determination of Mean-Variance Efficient Portfolios Using Spreadsheets and Real Data from the Internet, <i>Journal of Financial Education</i>	William Elliott	2003
Foreign-Denominated Debt and Foreign Currency Derivatives: Complements or Substitutes?, <i>Journal of Multinational Financial Management</i>	William Elliott	2003
Cross Sectional Variation in Australian Share Prices, <i>Accounting and Finance</i>	William Elliott	2002
Term Structure Factor Shifts and Economic Announcements, <i>Financial Analyst Journal</i>	Thomas Gosnell	2004
Agency Cost Reduction Using Interest Rate Swaps: An Empirical Test, <i>Journal of Banking and Finance</i> .	Joel Harper	1999
Privatization and Business Valuation in Transition Economies, <i>Financial Innovation and Welfare of Nations: How Cross-Border Transfers of Financial Innovations Nurture Emerging Capital Markets</i>	Joel Harper	2000
Equity Valuations in the Czech Voucher Privatization Auctions, <i>Financial Management</i>	Joel Harper	2000
Short-Run Effects of Privatization on Operating Performance in the Czech Republic, <i>Journal of Financial Research</i>	Joel Harper	2000
<i>The Performance of Privatized Firms in the Czech Republic</i> , <i>Journal of Banking and Finance</i>	Joel Harper	2001
<i>Sources of Hidden Value and Risk within Tracking Stock</i> , <i>Financial Management</i>	Joel Harper	2001
<i>Follow-on Offerings</i> , <i>Journal of Banking and Finance</i>	Joel Harper	2003
Performance Comparison Between Exchange-Traded Funds and Closed-End Country Funds, <i>Journal of International Financial Markets, Institutions & Money</i> .	Joel Harper	2004 (forthcoming)
Interaction Between Short Sales and Potential Inside Sales in the IPO Aftermarket, <i>Journal of Financial Services Research</i>	Joel Harper	2005 (forthcoming)

Price risk in the NYMEX energy complex: An extreme value approach, <i>Journal of Futures Markets</i>	Tim Krehbiel	2005
Empirical performance of alternative pricing models of currency options, <i>Journal of Futures Markets</i>	Tim Krehbiel	2000
Using cointegration restrictions to improve inference in vector autoregressive systems, <i>Review of Quantitative Finance and Accounting</i> .	Tim Krehbiel	2000
An empirical investigation of the relationship between ownership structure and operating performance of newly privatized Czech firms, <i>Advances in Financial Economics</i>	Tim Krehbiel	1999
Mean reversion and volatility of short-term LIBORs: An empirical comparison of competing models, <i>International Review of Economics and Finance</i>	Tim Krehbiel	1999
Contagion Effects in the Insurance Industry, <i>The Journal of Risk and Insurance</i>	Ronald Miller	1999
Methods of Payment in Asset Sales: Contracting with Equity versus Cash, <i>Journal of Finance</i>	John Polonchek	2004
An Analysis of Contagion and Competitive Effects at Commercial Banks, <i>Journal of Financial Economics</i>	John Polonchek	1999
The Impact of Antitakeover Charter Amendments on Expectations of Future Earnings and Takeover Activity, <i>Managerial and Decision Economics</i>	Ramesh Rao	1999
Impact of Institutional Interest on the Information Content of Dividend Changes, <i>Journal of Financial Research</i> .	Ramesh Rao	1999
Of What Value are Shareholder Proposals Sponsored by Public Pension Funds?, <i>Journal of Business</i>	Ramesh Rao	2000
Corporate Governance in New Zealand: The Effect of the 1993 Companies Act on the Relationship between Board Composition and Firm Performance, <i>Pacific-Basin Finance Journal</i> .	Ramesh Rao	2001
Does School Matter? An Empirical Analysis of CEO Education, Compensation, and Firm Performance, <i>International Business and Economics Journal</i>	Ramesh Rao	2002
Board Composition in New Zealand: An Agency Perspective, <i>Journal of Business Finance and Accounting</i>	Ramesh Rao	2002
Dividend Imputation and Shareholder Wealth: The Case of New Zealand, <i>Journal of Business Finance and Accounting</i>	Ramesh Rao	2002
The Determinants of Board Composition in New Zealand: A Simultaneous Equations Approach" <i>Journal of Empirical Finance</i>	Ramesh Rao	2002

The Information Signaling Hypothesis of Dividends: Evidence From Cointegration and Causality Tests, <i>Journal of Business Finance and Accounting</i>	Ramesh Rao	2003
Insider Trading Around Bank Failures, <i>Journal of Commercial Banking and Finance</i>	Ramesh Rao	2003
Do Spin-offs Expropriate Wealth from Bondholders?, <i>Journal of Finance</i>	Ramesh Rao	2003
What Stocks do Institutional Investors Find Appealing: Evidence from the 1990s, <i>Journal of Investing</i> .	Ramesh Rao	2005 (forthcoming)
The cost of racially equal approval rates in mortgage lending, <i>International Review of Economics and Finance</i>	Gary Simpson	2003
Board of directors diversity and firm performance, Research in <i>International Business and Finance – Social Responsibility: Corporate Governance Issues</i>	Gary Simpson	2003
Corporate governance, board diversity and firm value, <i>Financial Review</i>	Gary Simpson	2003
The link between corporate social and financial performance: Evidence from the banking industry, <i>Journal of Business Ethics</i>	Gary Simpson	2002
Board structure, ownership and financial distress in banking firms, <i>International Review of Economics and Finance</i>	Gary Simpson	1999
On the optimal mix of corporate hedging instruments: Linear versus nonlinear derivatives, <i>Journal of Futures Markets</i>	Marian Turac	2003
Optimal choice of corporate hedging strategy: Linear versus nonlinear strategies, <i>Journal of Applied Corporate Finance</i>	Marian Turac	2002

Oklahoma State University
FIVE-YEAR ACADEMIC REPORT CARD
FINANCE

Fiscal Year	2000	2001	2002	2003	2004	Change	
						Amount	Percent
Financial Information							
Faculty Salaries	\$814,082	\$848,530	\$1,090,069	\$1,025,031	\$1,039,586	\$225,504	27.7%
Other Salaries	\$39,721	\$35,337	\$49,723	\$36,439	\$25,635	(\$14,086)	-35.5%
Fringe Benefits	\$180,456	\$224,515	\$313,796	\$280,691	\$283,309	\$102,853	57.0%
Travel	\$9,036	\$12,010	\$9,882	\$9,594	\$13,265	\$4,229	46.8%
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	-
Supplies Other Oper. Exp.	\$11,973	\$15,289	\$15,473	\$13,056	\$7,909	(\$4,063)	-33.9%
Property, Furniture Equip.	\$390	\$159	\$3,078	\$2	\$0	(\$390)	-100.0%
Library Books Periodicals	\$0	\$0	\$0	\$0	\$0	\$0	-
Transfers Other Disbur.	\$0	\$0	\$0	\$0	\$0	\$0	-
Total	\$1,055,657	\$1,135,841	\$1,482,022	\$1,364,813	\$1,369,704	\$314,047	29.7%
Cost per SCH	\$151.70	\$141.73	\$161.76	\$140.91	\$123.08	(\$28.62)	-18.9%
Cost per SCH in Constant \$	\$151.70	\$137.70	\$154.54	\$131.28	\$111.14	(\$40.56)	-26.7%
Other Revenue							
Other Student Fees	\$0	\$0	\$0	\$0	\$0	\$0	-
Gifts and Grants	\$0	\$0	\$0	\$2,198	\$0	\$0	-
OSU-Tulsa Fac. Exp. Transfers	\$0	\$297,200	\$3,947	\$359,856	\$231,976	\$231,976	-
Fees Related to Educ. Depts.	\$891	\$46	\$0	\$0	\$0	(\$891)	-100.0%
Other Income	\$665	\$15,303	\$30,088	\$41,191	\$25,433	\$24,768	3724.5%
Total	\$1,556	\$312,549	\$34,035	\$403,245	\$257,409	\$255,853	16440.6%
External Funding							
Sponsored Expenditures**	\$0	\$26,970	\$18,539	(\$1,888)	\$0	\$0	-

\$ 9750

**Excludes federal appropriations for College of Agriculture Sciences and Natural Resources.