

June 4, 2013

**College of Business and Public Management
School of Accounting and Finance**

Assessment Report Academic Year 2012-13

The Accounting and Finance Department started assessing introductory courses in Finance (Management of Corporate Finance I) and Accounting (Principles of Accounting) during Fall 2012 and Spring 2013, respectively. The Assessment Committee in conjunction with the Executive Director of Accounting and Finance decided to concentrate in these two courses and later expand the assessment to more advanced courses in Accounting and Finance.

Table 1 shows results for the Management of Corporate Finance I (FIN 3310) assessment exam. All sections in the Kean University campus were assessed for a total of 232 students during the last week of the Fall 2012 semester. The main results are:

- 58 percent of answers were correct.
- If we focus on topics where the incorrect answers were higher than 50 percent, then students have a high degree of difficulty on the following concepts (general knowledge) in “working capital”, “bond yields”, “P/E ratios”, “retention ratio”, “constant growth stocks”, “present value”, “earning per share” and “callable bonds”.
- When solving problems the major difficulties were on “bond pricing” and “finding equal payment”.

It seems that finance Faculty have to emphasize those concepts when teaching. Some Faculty may not be teaching some concepts because they are covered in previous courses (for instance, Financial Statements, which are covered in principles of accounting). However, the assessment committee recommends reviewing those basic concepts and areas that student do have difficulties.

Table 2 shows results for the Principles of Accounting (ACCT 2200) assessment exam. All sections in the Kean University campus were assessed for a total of 137 students during the last week of the spring 2013 semester. The main results are:

- 57 percent of answers were correct.

- Unlike FIN 3310, the major difficulties are found in Problem Solving questions. Students have trouble solving problem related to “Depreciation” (81% incorrect answer), and “recording transactions” such as “interest payable”, “expenses”, “inventories”, and “asset sale”.
- The main two conceptual problems are in questions related to “common account” equity” and “ethics: fraudulent accounting”.

In summary, FIN 3310 students show better skills in problem solving questions, but they have trouble in conceptual problems.

In ACCT 2200 the results show that the students are better prepared in conceptual problem but have higher difficulty in problem solving skills.

The committee recommends letting Faculty know where students are having major trouble in each course, and also there is a need to revise the questions for clarity. After delivering the exams and taking into account the results, we will revise those questions that seem to be confusing for the student.

The two courses will be assessed again during the academic year 2013-14.

Finally, last Table summarizes main findings and actions using the format required by the Office of Accreditation and Assessment.

**Table 1. Fall 2012 Assessment Exam for Management of Corporate Finance I (FIN 3310)
(Incorrect answers sorted from largest to smallest percentage).**

This Table shows the percentage of incorrect answers by topic and type of questions from the Management of Corporate Finance I (FIN 3310) assessment exam. 232 students took the exam during the last week of the Fall 2012 semester (e.g. N=232)

Topic	Sub topic	Type of question	% incorrect answers
Working capital management	Working capital	Conceptual	73.3
Bonds and their valuation	Bond price	Problem solving	69.8
Time value of money	Equal payment	Problem solving	64.7
Bonds and their valuation	Bond yields	Conceptual	63.8
Analysis of Financial Statements	P/E ratio	Conceptual	62.1
Stocks and their valuation	Retention ratio	Conceptual	61.6
Stocks and their valuation	Constant growth stocks	Conceptual	61.2
Time value of money	Present value	Conceptual	59.9
Analysis of Financial Statements	Earnings per share	Conceptual	56.0
Bonds and their valuation	Callable bonds	Conceptual	55.2
Stocks and their valuation	Stock valuation	Problem solving	49.6
Analysis of Financial Statements	Current ratio	Conceptual	47.0
Bonds and their valuation	Bond yields	Conceptual	46.6
Stocks and their valuation	Stock returns	Conceptual	44.8
Stocks and their valuation	Capital gain yield	Conceptual	44.8
Time value of money	Period and effective rate	Conceptual	38.8
Capital Budgeting	Net present value	Problem solving	38.4
Time value of money	Effective rate	Conceptual	31.0
Financial Statements	Income Statement	Conceptual	19.4
Time value of money	Future value	Problem solving	18.5
Financial Statements	Balance Sheet	Conceptual	14.7
Working capital management	Days sales outstanding	Conceptual	11.6
Financial Statements	Balance Sheet	Conceptual	4.3
Analysis of Financial Statements	Profit margin	Problem solving	3.4
Analysis of Financial Statements	Return on asset	Problem solving	3.4

Overall results

Percentage of **correct** answers: **58.2%**

Percentage of **incorrect** answers: **41.8%**

Table 2. Fall 2012 Assessment Exam for Principles of Accounting (ACCT 2200)

(Incorrect answers sorted from largest to smallest percentage).

This Table shows the percentage of incorrect answers by topic and type of questions from the Principles of Accounting (ACCT 2200) assessment exam. 137 students took the exam during the last week of the Spring 2013 semester (e.g. N=137)

Topic	Sub topic	Type of question	% incorrect answers
Accounting Adjustments	Depreciation	Problem Solving	81
Recording Transactions	Interest Payable	Problem Solving	68
Describe Common Accounts	Equity	Conceptual	66
Recording Transactions	Expenses	Problem Solving	60
Recording Transactions	Inventory	Problem Solving	57
Recording Transactions	Asset Sale	Problem Solving	52
Ethics	Fraudulent Accounting	Conceptual	51
Recording Transactions	Accounts Receivable	Problem Solving	48
Recording Transactions	Accounting Equation	Problem Solving	47
Accounting Adjustments	Prepaid Expense	Problem Solving	47
Describe Common Accounts	Expense	Conceptual	43
Business Organizations	Corporations	Conceptual	43
Recording Transactions	Stockholder Equity	Problem Solving	42
Describe Common Accounts	Liabilities	Conceptual	39
The Accounting Equation	Components	Conceptual	36
Describe Common Accounts	Revenue	Conceptual	36
Ratio Analysis	Gross Margin	Problem Solving	36
Generally Accepted Accounting Principles	Accounting Guidelines	Conceptual	33
Recording Transactions	Cost of Goods Sold	Problem Solving	32
Cash and Internal Control	Internal Control	Conceptual	31
Recording Transactions	Net Income	Problem Solving	29
Recording Transactions	Revenue Recognition	Problem Solving	28
Describe Common Accounts	Assets	Conceptual	26
Financial Statement Analysis	Balance Sheet/Cash Flow	Conceptual	23
Financial Statement Analysis	Income Statement	Conceptual	23

Overall results

Percentage of **correct** answers: **57%**

Percentage of **incorrect** answers: **43%**

Assessment Report - AY 2012-13

BS in Accounting; BS in Finance;

School of Accounting & Finance
College of Business & Public Management
Kean University

Program Learning Goals

AY12-13:

SLO1: Communicate effectively (KU4, GE-S1, GE-S2, GE-V5)

SLO2: Utilize business technologies to access, analyze and communicate business information. (KU2, KU4, GE-S3, GE-S4, GE-S5, GE-V5)

SLO3: Use concepts and techniques from business disciplines to evaluate and solve business problems. (KU1, KU2, KU4, GE-S3, GE-S4, GE-V5)

SLO4: Know the key concepts in all major business disciplines (KU2, KU4, KU-S4)

SLO5: Have in-depth knowledge of their discipline. (KU4, GE-V5)

SLO6: Know how the domestic practice in their discipline differs from international practice. (KU1, KU2, KU4, KU-S4, GE-V4)

SLO7: Know the code of conduct and the ethical issues germane to business. (KU1, KU3, KU4, GE-S4, GE-V1, GE-V2)

Program Level Student Learning Outcome	Assessment Measure(s)	Assessment Criteria	Results of Assessment	Action Taken
SLO 3: Problem Solving	Direct measure #1: Problem solving questions.	Assessment Exams: 1. FIN 3310. Management of Corporate Finance I (Fall 2012) 2. ACCT 2200. Principle of Accounting (Spring 2013).	FIN 3310: Assessment exam (N=232 students). Overall: 58% correct answers. However, for problem solving questions, the following topics need to be improved (correct answer were less than 50%): finding Bond Price and finding Equal Payment. ACCT 2200: Assessment exam (N=137students). Overall: 57% of correct answers. However, for problem solving questions, the following topics need to be improved (incorrect answers were more than 50%): calculating Depreciation and recording Interest Payable, Expenses, Inventory, and Asset Sale.	Let Faculty teaching FIN 3310 and ACCT 2200 know key results of the assessment exams. The assessment committee decided to concentrate in those topics were student had more than 50% incorrect answers. We recommend solving more practice problems covering those topics. Revise questions wording. Some good students were asked about the wording of questions in the exam and there are questions that seem to be confusing or not clear.
SLO 5: General Business Knowledge	Direct measure #1: Knowledge of core concepts	Assessment Exams: 1. FIN 3310. Management of Corporate Finance I (Fall 2012) 2. ACCT 2200. Principle of Accounting (Spring 2013).	FIN 3310. Conceptual Topics to be emphasized when teaching (incorrect answers were more than 50%): working capital management, bond yields, P/E ratio, retention ratio, constant growth stock, present value, EPS, and callable bond. ACCT 2200. Equity, and fraudulent accounting	Same actions mentioned above: Let Faculty know the key results of the assessment exam as well as revise questions wording of the assessment exam.