

10/19/2015



Proposal to the Senate Educational Policy Committee

PROPOSAL TITLE: Revision to Undergraduate Curriculum in the Finance Department, College of Business

SPONSOR: Virginia Grace France, Adjunct Professor, 217-333-0704, v-france@illinois.edu

COLLEGE CONTACT: Jeff Brown, Dean, College of Business, 333-3322, brownjr@illinois.edu

BRIEF DESCRIPTION: *This revision to the requirements for the Bachelors of Science in Finance tightens the requirements by making one specific additional course mandatory, eliminating the major elective requirement, and adding 3 additional Finance courses to the current requirements. It expands the required hours for the program from 18 to 24 hours.*

JUSTIFICATION: *We seek to increase the rigor of our undergraduate program .Our current major requirements constitute fewer hours than most minors on campus. Please see Appendix A for further details.*

BUDGETARY AND STAFF IMPLICATIONS:

1) Resources

- a. How does the unit intend to financially support this proposal? *We do not expect this proposal to affect the total number of IUs offered by the department in the undergraduate program.*
- b. How will the unit create capacity or surplus to appropriately resource this program? If applicable, what functions or programs will the unit no longer support to create capacity? *As the requirements for the Finance major have tightened over the years, the number of students in the major has dropped (see Appendix B). With this further tightening, we anticipate a further decrease in the number of majors. Though there will be fewer students, each student will complete more courses. We expect the departmental IUs to remain about the same. This proposal will be phased in over several years in order to be able to serve students who were admitted under the legacy requirements.*
- c. Will the unit need to seek campus or other external resources? If so, please provide a summary of the sources and an indication of the approved support. *N.A, See under b.*
- d. Please provide a letter of acknowledgment from the college that outlines the financial arrangements for the proposed program. *N/A*

2) Resource Implications

- a. Please address the impact on faculty resources including the changes in numbers of faculty, class size, teaching loads, student-faculty ratios, etc. *We expect to be teaching fewer sections of the required courses and more of other courses. Since we will now allow each student to count either Fin 230 (Introduction to Insurance) or Fin 241 (Fundamentals of Real Estate) towards the major requirement, we expect enrollment in these courses and the subsequent courses in Real Estate and Insurance to revive to former levels.*
- b. Please address the impact on course enrollment in other units and provide an explanation of discussions with representatives of those units. *None.*
- c. Please address the impact on the University Library. *None.*
- d. Please address the impact on technology and space (e.g. computer use, laboratory use, equipment, etc.) *None.*

For new degree programs only:

- 3) Briefly describe how this program will support the University's mission, focus, and/or current priorities. Include specific objectives and measurable outcomes that demonstrate the program's consistency with and centrality to that mission.
- 4) Please provide an analysis of the market demand for this degree program. What market indicators are driving this proposal? What type of employment outlook should these graduates expect? What resources will be provided to assist students with job placement?
- 5) If this is a proposed graduate program, please discuss the programs intended use of waivers. If the program is dependent on waivers, how will the unit compensate for lost tuition revenue?

DESIRED EFFECTIVE DATE: Fall 2016

STATEMENT FOR PROGRAMS OF STUDY CATALOG:

See page 6

CLEARANCES:

Signatures:

Unit Representative:

Date:

College Representative:

Date:

Graduate College Representative:

Date:

Council on Teacher Education Representative:

Date:

Appendix A: (Proposed Curriculum Revisions)

Current Requirements:	Current Hours	Revised Requirements:	Revised Hours
<i>Major Core Requirement</i>		<i>Major Core Requirement</i>	
Fin 300	3 Hours	Fin 300	3 Hours
Fin 321	3 Hours	Fin 321	3 Hours
		Fin 411	3 hours
3 additional Fin 4xx	9 hours	4 additional Fin 4xx	12 hours
Major Elective	3 hours	1 additional Fin course	3 hours
Total Core Required Hours	18 Hours	Total Core Required Hours	24 Hours

Overview:

In our current curriculum (and in that of most of our peer institutions) students do not take their first finance course until the end of their sophomore year, because the typical finance course requires a large number of prerequisites (calculus, regression analysis, elementary economics, introductory accounting). In reforming the curriculum, we are increasing exposure to finance in the freshman and sophomore years. We are able to accomplish this changing the coverage of material in Fin 221 (Corporate Finance) so that the course can be taken in the freshman year.

Fin 221 changes:

Fin 221 is the course which is most widely available to the campus as a whole, and is a recommended course for a wide variety of majors on campus. The revision of Fin 221 involved some minimal changes on coverage, which we think will have the added benefit of making the course more relevant for a wider audience. The course change proposal is attached as appendix D.

By decreasing the coverage of certain technical issues of dividend policy, we are able to eliminate the requirement that students have already taken the required ACCY sequence. This allows us to move the course into the freshman year. It will also make sequencing much easier for students pursuing the Business Minor.

We plan to replace the material eliminated by a more thorough coverage of basic financial literacy and personal finance topics. The eliminated topics, which are

primarily of interest to majors, will be covered in Fin 321, which is a major requirement.

Required Core Finance Courses (Fin 300, 321, and 411):

Moving Fin 221 to the freshman year will allow students to complete the three required core courses as sophomores.¹ This will radically increase our students' readiness for internship programs between sophomore and junior years. It will also facilitate our students' ability to study abroad during their junior year. Please find attached a sample schedule for the major.

This list of required courses is typical of the curricula at other leading undergraduate Finance departments.

Additional Finance Course Requirements:

We have expanded the opportunity for students to enroll in more advanced courses in their junior and senior years. This will help to ensure a more broad grounding in the more technical topics such as derivatives, mergers and acquisitions, and international finance.

In the previous revision to the major, we excluded certain courses from credit towards the Finance major in an attempt to increase the rigor of the program and to gain control over the curriculum. With the expansion in the number of required courses, we feel we can relax this restriction to some extent by allowing a choice of Fin 230 or Fin 241, formerly excluded courses, to count towards major requirements.

All 200-level Finance courses (except Fin 221, which counts as part of the business core requirements) were formerly excluded. Enrollment in our programs in Real Estate and Insurance suffered because not enough students were introduced to the fields early on by taking 230 (Introduction to Insurance) or 241 (Fundamentals of Real Estate). Further, because these two courses do not require Fin 300 as a prerequisite, they can be taken in the sophomore or even the freshman years.

Credit for undergraduate research courses will now be allowed. In the past, we have tried to discourage enrollment in Fin 494/495 (Undergraduate Research), but recent experience with the James Scholar research program has encouraged several of our faculty members to develop research projects involving undergraduates.

¹ Fin 411 (Investments) is currently numbered at a 400-level course. If there are difficulties with students enrolling for it as sophomores, we can return it to its former number, Fin 311.

Finance

<http://www.business.illinois.edu/finance>

Chair of Department: Louis Chan
Department Office: 340 Wohlers Hall
1206 S. Sixth Street
Champaign, IL 61820
PH: (217) 244-2239
FX: (217) 333-3102

Curriculum in Finance

For the Degree of Bachelor of Science in Finance

The field of finance is primarily concerned with the acquisition and management of funds by business firms, governments, and individuals. A business seeks financial advice when considering the purchase of new equipment, the expansion of present facilities, or the raising of additional funds. Determining the value of financial and real assets and derivatives is a key activity in finance.

As the study of finance is designed to provide the student with both the theoretical background and the analytical tools required to make effective judgments in finance, many students select careers in business financial management, commercial and investment banking, investments, government finance, insurance, and real estate.

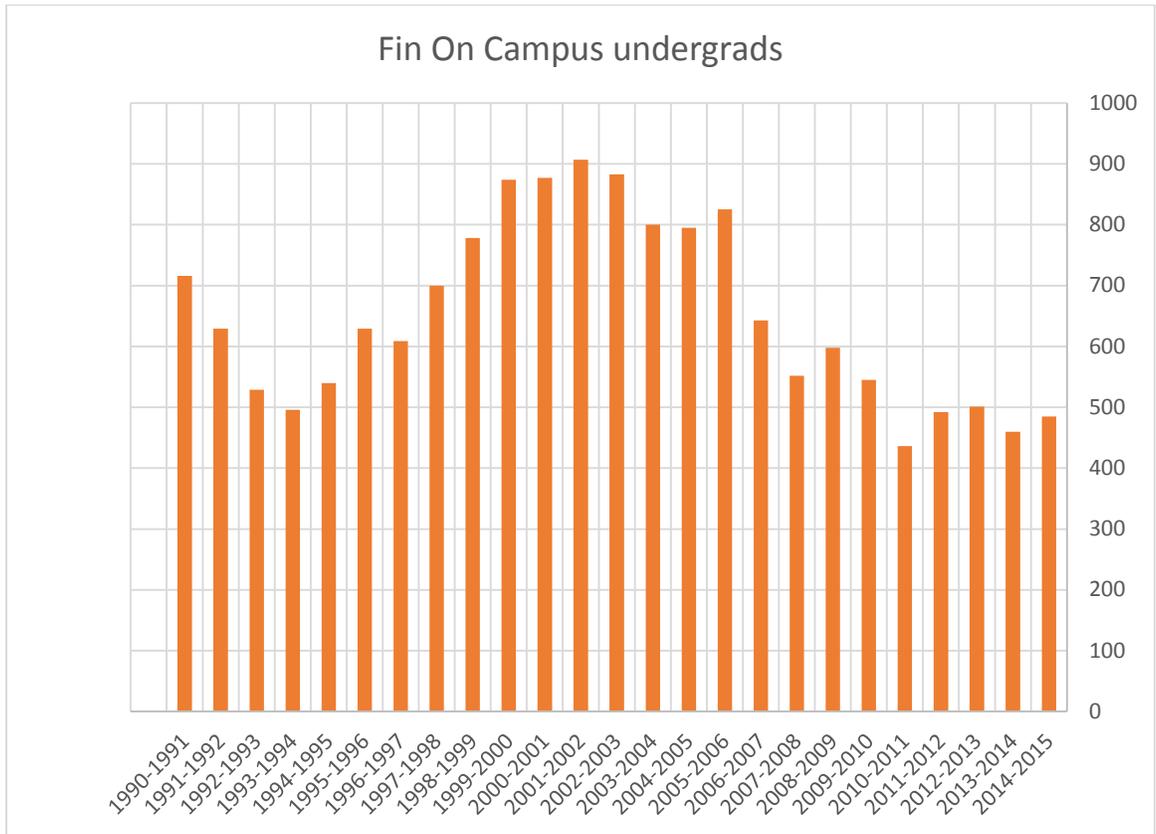
In addition to the finance major requirements, students in finance must meet the University General Education requirements and the College of Business core requirements (for more detail, see <https://business.illinois.edu/undergraduate-affairs/current-students/degree-information/core-curriculum/>). Minimum requirements in the major for the Bachelor of Science degree in Finance are:

Hours	Required Courses
3	FIN 300 - Financial Markets (Prerequisite: FIN 221 Corporate Finance; CS 105 or electronic spreadsheet competency)
3	FIN 321 - Advanced Corporate Finance (Prerequisite: FIN 300 Financial Markets)
3	FIN 411 – Investments and Portfolio Management (Prerequisite: FIN 300 Financial Markets)
12	Four additional full-semester, 3-hour 400-level Finance courses except FIN 494 or 495 (Senior Research) and Fin 490 (Special Topics).
3	One additional full-semester, 3-hour Finance course , which may be one 200-level course, one 3-hour 490, or one 3-hour 494 or 495

Advising Notes

- Courses taken to fulfill major requirements may not be taken on a credit-no credit basis.
- It is recommended that Finance majors take additional accounting courses beyond. ACCY 201 (3) and 202 (3) are required in the business core. Many employers look favorably upon additional accounting courses.
- Extensive Advising information can be found online at <https://business.illinois.edu/finance/programs/bsc/>

Appendix B: Counts of Finance Majors



Tightening of major requirements occurred in 2007 and 2011.

APPENDIX C: TYPICAL SCHEDULE FOR FINANCE MAJORS

RST YEAR			
First Semester	Hrs	Second Semester	Hrs
Econ 102 or 103	3	Econ 102 or 103	3
Math 234	4	Math 125	3
CMN 101 or RHET 105	3-4	CMN 101 or RHET 105	3-4
CS 105	3	Foreign Lang, Freshman Discovery, or Gen Ed	3-4
BUS 101	2	Fin 221	3
Total	16	Total	16

SECOND YEAR			
First Semester	Hrs	Second Semester	Hrs
Accy 201	3	Accy 202	3
Econ 202	3	Econ 203	3
Foreign Lang or Gen Ed	3-4	Fin 321	3
Fin 300	3	Foreign Lang or Gen Ed	3-4
Econ 302	3	Fin 411	3
Total	16	Total	16

THIRD YEAR			
First Semester	Hrs	Second Semester	Hrs
Finance course (advanced hours)	3	Finance course s(advanced hours)	3
Gen Ed or elective	3	Gen Ed or elective	3
Composition II	3	BA 300	3
BA 310 or Accy 301 ²	3	Accy 301 or BA 310	3
BA 320 or Accy 302	3	Accy 302 or BA 320	3
Total	15	Total	15

FOURTH YEAR			
First Semester	Hrs	Second Semester	Hrs
Finance courses (advanced hrs)	3	Finance courses (advanced hrs)	3
Gen Ed or elective	3	Gen Ed or elective	6
Accy course (optional)	4	BA 449	3
Electives	3-6	Accy course (optional)	4
Total	15	Total	16

VGf: 9/28/2015

NOTES:

In finance placement, the summer internship after sophomore year is important. Placement for these internships typically takes place during spring of the sophomore year. A typical student will now have completed both Fin 221 and Fin 300, and be enrolled in at least one other Finance

² Accy 301 and 302 are recommended but not required.

course. This will make them much more competitive relative to students from our peer institutions, where they will typically have had only one course in Finance.

The new schedule will also make it easier for our students to enroll in their junior year abroad. We feel that international experience is crucial to our students, personally, professionally, and intellectually..

APPENDIX D: FIN 221 COURSE CHANGE PROPOSAL



COURSE REVISION FORM

Departments/units should complete this form, obtain all necessary approvals and submit to their College Office to revise a course. The form will be reviewed by the College and forwarded to appropriate campus offices for additional approval.

All gray boxes on this form, except gray check boxes, are expandable text fields. Place your cursor in the box and start typing.

Instructions and guidance to complete certain items in this form are contained in *Revising Existing Courses* (<http://provost.illinois.edu/programs/cps/revisingcourses.html>)

Department/Unit Name: <u>FIN</u>	Course Subject and Number: <u>FIN 221</u>
Department/Unit ORG Code: <u>1206</u>	Course Title: <u>CORPORATE FINANCE</u>
Proposed Effective Term: <input type="checkbox"/> Fall <input checked="" type="checkbox"/> Spring <input type="checkbox"/> Summer - <u>2016</u>	
Please indicate current course cross-listings*:	

COURSE DISCONTINUANCE (AND ALL CROSS-LISTS*, IF ANY) ; IF CHECKED, SKIP TO #3

–OR– (check the box above or below)

TYPE OF REVISION(S) (CHECK ALL THAT APPLY)

<input type="checkbox"/> Subject	<input type="checkbox"/> Add <input type="checkbox"/> Remove <input type="checkbox"/> Revise – Cross-List*
<input type="checkbox"/> Number	<input type="checkbox"/> Add <input type="checkbox"/> Remove <input type="checkbox"/> Revise – Differential Credit
<input type="checkbox"/> Title	<input type="checkbox"/> Add <input type="checkbox"/> Remove <input type="checkbox"/> Revise – Repeatability
<input type="checkbox"/> Credit Hours	<input type="checkbox"/> Add <input type="checkbox"/> Remove <input type="checkbox"/> Revise – Credit Restriction
<input type="checkbox"/> Description (subject matter)	<input type="checkbox"/> Add <input type="checkbox"/> Remove <input checked="" type="checkbox"/> Revise – Prerequisite
<input type="checkbox"/> Grade Mode (e.g., request for use of DFR)	
<input type="checkbox"/> Other, describe:	

1. How revision(s) indicated appear currently:

Finance 221: Corporate Finance
Introductory study of corporate financial management, in particular how the financial manager's choices add value to shareholder wealth through investment financing and operating decisions. Prerequisite: Credit or concurrent registration in ACCY 202 and ECON 203; CS 105 or demonstration of electronic spreadsheet competency.

2. how revision(s) indicated would appear after change:

inance 221: Corporate Finance
Introductory study of corporate financial management, in particular how the financial manager's choices add value to shareholder wealth through investment financing and operating decisions. Prerequisite: Completion of either ECON 102 or ECON 103.

3. Justify revision or request:

ACCY 201 and 202 are normally taken sophomore year. Dropping the ACCY 202 prerequisite would allow us to move FIN 221 to the freshman year.

Most students also have sufficient spreadsheet competency to complete the course without CS 105.

Proposed By: VG France **Date:** 5/5/2015

***Note: Additional approvals are required.** An authorized official of each non-controlling, cross-listing department must endorse the revisions(s). In addition, if the cross-listing involves a different college, a dean of that college must also approve. (Letter, e-mail, or note written below the Approvals block are all acceptable methods of approval endorsement.)

COURSE REVISION FORM APPROVALS **Course Subject and Number:** _____

(Signatures required)

_____	_____
Department/Unit	Date
_____	_____
School (if applicable)	Date
_____	_____
College	Date
_____	_____
Graduate College (Requests for Graduate Credit)	Date
_____	_____
Provost	Date

ADDITIONAL APPROVALS

The space below may be used for additional approvals involving cross-listed courses – cf. footnote * above – in lieu of letters or e-mails. Indicate department or college after signature and provide date.

CLEARANCES:

Signatures:



Unit Representative:

23 June 2015

Date:

College Representative:



Date:

6/29/15

Graduate College Representative:



Date:

Council on Teacher Education Representative:

Date:

UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN

EP.16.11

Office of the Provost and Vice Chancellor
for Academic Affairs

Swanlund Administration Building
601 East John Street
Champaign, IL 61820



August 5, 2015

Bettina Francis, Chair
Senate Committee on Educational Policy
Office of the Senate
228 English Building, MC-461

Dear Professor Francis:

Enclosed is a copy of a proposal from the College of Business to revise the Bachelor of Science in Finance.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Kathryn A. Martensen'.

Kathryn A. Martensen
Assistant Provost

Enclosures

c: L. DeBrock
W. Ahmed
L. Chan

UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN

College of Business
Office of the Dean
260 Wohlers Hall
1206 South Sixth Street
Champaign, IL 61820-6980



RECEIVED

JUL 10 2015

Office of the Provost

To: Kristi Kuntz
Assistant Provost for Undergraduate Academic Affairs
Provost & Vice Chancellor for Academic Affairs
204 Swanlund Administration Building
601 E. John, MC-304

From: Larry DeBrock
Joseph and Margot Lakonishok Endowed Dean

A handwritten signature in black ink, appearing to be 'L. DeBrock'.

Date: June 5, 2015

Re: Approval of Department of Finance Proposals

The College of Business requests approval of the following from the Department of Finance:

- Course Revision: FIN221 – Corporate Finance
- Revision to Undergraduate Curriculum: Finance

The proposals have been reviewed by the appropriate committees at the department and college levels and approval has been recommended. I also recommend approval.

If you have questions, please call 333-2747.

/ms

Enclosures

Cc: Waqar Ahmed, Chair, College of Business, Educational Policy Committee
Louis Chan, Department Chair, Finance