Program Title: <u>Finance and Business Law Department</u>   Review Date: <u>2000-01</u>

0. Synopsis

The strengths of our Department can be summed up in six words: our secretary, our faculty, our students.

<u>Kim Marino - Secretary</u>

Kim Marino, our secretary, is the first person who most potential finance students encounter when they walk into 5002 in Carlson Hall, the office of the Finance & Business Law Department. Adept in advising, Kim's eleven years as secretary allows her to answer most questions that students have about the finance major, the insurance major, the real estate major, and the personal financial planning major. She gets to know many of our finance students on a very personal level, helping them through the two (or three) years that they spend as juniors and seniors while they complete their BBA degrees. They nominated her for Blue Key Awards in 1997 and 1998. With the office running smoothly and their paperwork being done correctly, students can concentrate on their studies, faculty on their teaching and research.

The following 12 paragraphs were prepared by each of the 12 professors (with minor editing by Crabb) and summarize the activities that each has undertaken in the past five years to make the Finance & Business Law Department a better Department than it was five years ago.

<u>John R. Aulerich - Finance</u>

I have been at the University of Wisconsin-Whitewater for only one year. I successfully defended my dissertation on Thursday, May 25, 2000. The defense resulted in minor revisions; I was awarded my doctorate degree on June 21, 2000. I have a paper accepted for presentation at the Financial Management Association meeting in Seattle, Washington on October 26, 2000 entitled "Comparison of Benchmarks for Portfolio Performance: An Empirical Analysis". I completed a book review of William L. Scott's, "Markets and Institutions; A Contemporary Introduction of Financial Services, 2^{nd} Edition", to be published by South-Western Publishing Company. I have served on the Scholarship Committee and am the recording secretary for the Finance and Business Law Department. I taught seven courses, served as a reference for eight students, and wrote numerous letters of recommendations for students seeking various awards. I strengthened my teaching and achieved better student evaluation ratings in the Spring of 2000 vis-a-vis the Fall of 1999.

<u>Ronald R. Crabb – Insurance</u>

In the Fall of 1999, I took over as Department chair. In the summer of 1999, I sent out 5 manuscripts for review. Four blind referees recommended publication of two of those manuscripts in the same issue of the same journal. The editor would only publish one. The other manuscript is currently looking for a new home. A third manuscript is now in its third review. These manuscripts, along with paper presentations made at professional meetings over the past five years, serve as course materials for the Advanced Life & Health course, Business 240-464. This course is now taught entirely in the computer lab, with lectures in PowerPoint and Excel and all exams taking place in Excel. In this manner I have better prepared my students for the real world, where, for most students in my Department, Excel and PowerPoint will be a huge part of their daily professional lives. My service to my profession comes primarily as an ad hoc reviewer for two refereed journals: the Financial Services Review and the Journal of Financial Education. I serve on the Tax Sheltered Annuity Review Committee (TSARC), the committee that makes recommendations to UW-System President Kathryn Lyall regarding policies for the UW-System employees who tax shelter some portion of their incomes to better provide for their retirements. I am active on two TSARC sub-committees.

<u>Frances J. Hill - Law</u>

My contribution to the Finance & Business Law Department on a local basis involves the work I demand of my Business Law 1 students. In my classes my students have approximately five writing assignments, all fully corrected; the exercises are geared toward developing a student's analytical skills. My contribution at the national level (international, if we recognize that the membership includes an international component) has been the holding of all of the elected executive positions in my discipline's academic organization, The Academy of Legal Studies in Business.

John Howat - Finance

Over the last five years, my major areas of activity have been in administering the Department, research, student organizations, and the Applied Investments Program. I was Department Chair for four of the last five years. In research, I have published one article, presented two articles, and served as a discussant of two articles. I also supervised three undergraduate research projects. I have been the faculty advisor to the two major finance student organizations, Finance Association and Portfolio Management Group. I wrote the proposal for the Applied Investments Program and presented it to the UW-W Foundation Board. This allows a group of students to invest and manage a portion of Foundation funds (initially $10,000). This gives the students invaluable real-world experience. The program started in Fall 1999 with five students. There are nine participants for the current academic year.

Mike Laird - Law

In the area of research I have published: “Insider Trading,” Managerial Decision Making, MCB Press 1995; ”The Glass Steagal Act,” Managerial Auditing Journal, MCB Press 1998; “Sexual Harassment: A Process in Controlling Corporate Liability,” Ethics and Social Responsibility, MCB Press 2000. I am currently working on an article on Microsoft that I expect to finish in 2001. I was listed in “ Who’s Who among American Teachers” in the year 2000. I received Greek Advisor of the Year Award for the year 2000. I created a WEB Course in Legal Environment for the internet MBA Program that will be taught in the Fall of 2000. I produce and perform Jocko’s Law for WCLO AM Radio Janesville. I ran for Milton School Board in February and April 2000 and will do so again in April 2001. I served on School Mascot Change Committee for Milton School District in 2000. I continue to attend annual legal seminars with the Wisconsin Bar Association. I have been a finalist each year in the UW-WHITEWATER graduates’ poll of teachers who have made a difference in their lives. I continue to practice law and continue to develop real estate as two methods of applying that which I teach.

Hamid Moini - Finance

Since 1995, I have published 8 articles in refereed journals in the U.S.A., the Netherlands, and Sweden. Other authors in international journals have cited my research findings. I work well with others, having co-authored research results with colleagues within the College and with other universities in both the U.S. and abroad. I have working relationships with faculty in Scotland, Sweden and Spain and have been asked for permission to replicate some of my research in other countries. I have attended and presented at many international conferences. I was invited to present some of my research findings before the members of the Wisconsin International Trade Council (WITCO). All of the members serving on this Council were appointed by Governor Thompson and serve as his advisors. The main focus of the presentation was to outline the needs of Wisconsin international trade managers that would contribute to increased exports from Wisconsin. I was the first member of our Department to master the technology necessary to offer my MBA courses in an effective way on the Internet.

Jim Molloy - Law

Over the past five years, I have been involved in a wide variety of local, regional, and national activities that have contributed to the success of our Department. In the area of teaching, I have been evaluated by my students on a regular basis and have consistently been ranked at or near the top of the Department. I was the recipient of the Leon Hermsen College of Business Teaching Award in 1999. I have been inducted into the Golden Key National Honor Society and have been awarded several Blue Key Honor Society Certificates. I have been teaching regularly for the Becker CPA Review, and our students’ success on this exam has been nothing less than stellar, giving our University a top-five ranking in the country on this exam virtually every semester. In the area of service, I have attended and participated in numerous professional organizations and meetings. I have been an advisor to the Law Society. I have been Vice-Chair of the Town of Dunn, Dane County, Wisconsin Plan Commission. I have been a National Association of Securities Dealers Arbitrator. I have been involved in many Departmental, College, and

University committees, including membership in the Faculty Senate. I have formally investigated a number of matters for Chancellor Jack Miller, and last year, at his request, served as Interim Department Chair for Health, Physical Education, Recreation and Coaching. I have worked with the Small Business Development Center on a regular basis and have led two trips to Costa Rica, providing an opportunity for UW-Whitewater students to study Central American language, culture, and economics. In the area of research I have presented articles and published principally in the area of legal education.

Janet S. Thatcher - Finance

I developed the online class Portfolio Theory and Practice for the internet MBA program. The course has been, and will be, offered in the spring semester each academic year. While the majority of the students are from Wisconsin, the classes also included people from Texas, Kansas, Florida, Washington, and Canada. I have presented research papers at meetings of several professional associations. I am serving a three-year term on the Board of Directors of the Midwest Finance Association. One of my tasks is to survey the members and make recommendations on how the association can better serve its members. I was part of a three-person delegation that went to the Technical University of Brno in the Czech Republic to initiate an agreement to exchange faculty and students. Brno is the major business center and the second largest city in the Czech Republic. I published three articles in internationally recognized journals on the topics of arbitrage opportunities in the foreign exchange markets, timing performance of new corporate bond issues, and the behavior of bid-ask spreads in the foreign currency markets.

John Thatcher - Finance

I have developed very popular and effective courses in financial management, financial planning and capital budgeting that teach students to solve complicated real-world business cases using advanced computer-based financial models and to explain and interpret their results in writing. My efforts in teaching have been recognized by receiving the Leon Hermsen Award for Outstanding Teaching in the College of Business and Economics, 1996, and by being nominated for the W.P. Roseman Excellence in Teaching Award, 1999. I have obtained over $40,000 in grant funds to support the development of a new Science and Business Integrated Major, a highly innovative interdisciplinary program combining faculty from the College of Letters and Sciences and the College of Business and Economics. The Science and Business Integrated Major is designed for students interested in pursuing a career as a manager with firms operating in technologically based industries. I have published three articles in internationally recognized journals on the following topics: the determination of bid-asked spreads on the New York Stock Exchange, the timing performance of new corporate bond issues, and an assessment of the impact of proposed margin requirement changes on U.S. options markets.

Howard Olson – Real Estate

During the past five years my classes have all been at or near capacity. In the real estate course, a new interactive approach to teaching the material has been highly successful and the technique has been presented at two academic meetings. I have been awarded the college of B&E outstanding teaching award (Hermsen) twice in the past six years. I have found a large number of real estate internships for my students over the past five years.

Don Sorensen - Finance

In the area of teaching, I have worked to maintain excellence in the courses that I teach. I have prepared two new graduate level Web-based courses. One of these was developed for the cooperative Masters degree program with UW-Stout, Nottingham-Trent University in England, Oxford Brooks University in England, and Patterborn University in Germany. The course is team taught with a faculty member from England. In the area of research, I have published an ancillary text, published a refereed journal article, made a presentation at a professional meeting, served as a paper discussant at a professional meeting, and wrote a book review for a publisher. I have served the university on at least eleven different college or university level committees, including service as chair of the Faculty Senate. I chaired the university search and screen committee to select the new Chancellor (Jack Miller).

David Porter - Finance

Porter has made the Department better on a regional, national, and international level over the last 5 years by publishing in major national and international finance journals including the Journal of Financial Research, Journal of Financial Economics, Quarterly Review of Economics and Finance, Financial Review, Financial Management, Review of Quantitative Finance and Accounting, and Review of Financial Economics. Porter has also had his work presented at regional, national, and international outlets including Midwest Finance Meetings, Financial Management Meetings, Western Finance Meetings, Southern Finance Meetings, Northern Finance Meetings, American Finance Meetings, Chicago Stock Exchange Specialists Association Conference on Decimalization, The NYSE Conference on Global Equity Issuance and Trading, before the Congressional Subcommittee on Market Decimalization, 7th Annual Conference on Financial Economics and Accounting, Eastern Finance Meetings, Securities and Exchange Commissions, JFI Symposium, and Symposium on the Organization of Financial Trade and Exchange Mechanisms. Porter won the college research award in 1999, is on the editorial board for the Journal of Finance Case Research and has reviewed papers for the Journal of Financial Research, Global Finance Journal, International Review of Economics and Finance, Journal of Finance Case Research, and Financial Management. Porter has served the university community by sitting on several committees including Faculty Senate, Academic Development Committee, Graduate Studies Committee, Graduate Curriculum Committee, College Research Committee, Applied Investment Advisor Committee, Scholarship Committee, Department Search Committee, Department Merit Committee, Institutional Review Board for the Protection of Human Subjects and Porter was one of the co-developers of the new Integrated Science Business Major.

Two of Our Students

Sonya Brzenk graduated Summa cum Laude from UW-Whitewater in the Spring of 2000, taking a job on Wall Street with Salomon Smith Barney. She recently emailed three of her finance professors (John Howat, Janet Thatcher, and Dave Porter) just to keep in touch with what is happening at UW-Whitewater. She states: "Believe it or not, when I tell people where I went to school, they actually know where it is or have heard of it. That's a good sign that the school is getting more exposure in other regions of the country."

Adam Mannetter, who will graduate next year, recently (Spring 2000) won a $1,000 scholarship awarded by the Financial Executives Institute. Fifteen schools, including Marquette and UW-Milwaukee, each put up their top two students. Competition is intense – and UW-Whitewater, a/k/a Adam Mannetter, won.

Our professors, our secretary, and our students have had a good five-year run from 1996-2000. We expect to do better in the next five year time period.

I. Academic Assessment

A. Highlights/Initiatives

1. The Finance Major is a part of the BBA degree program in the College of Business and Economics. It is administered by the Finance and Business Law Department. Coursework in the major consists of 24 credits, 12 of which are required and 12 are elective. Students may elect to declare one of the three emphases within the major: financial planning, real estate, or insurance. The emphases specify the elective courses the student must take. Courses are offered in the areas of financial management, financial institutions (including banking), investments, financial planning, risk management, real estate, international finance, and business law.

2. Our department expects to create a new six credit course, Applied Investments Program, wherein the students will manage real dollars. A pseudo course currently exists on an ad hoc basis, but the professor in charge of the course, Dr. John Howat, teaches the course without compensation. We will begin the paperwork to make this a formal course in the near future. This course will provide our students with the ability to demonstrate to future employers that they can actually manage real dollars.

B. Educational Objectives and Assessment Techniques

The finance major consists of 24 credits, twelve of which are required and twelve of which are elective. There are four required courses: 240-345 Investments, 240-360 Financial Institutions, 240-444 Corporate Financial Management, and 240-456 Security Analysis. There are many elective courses to choose from in the areas of finance, business law, accounting, and economics Finance majors may select one of three emphases: financial planning, real estate, or insurance. Each emphasis has specified elective courses that the student must take.

Changes in the curriculum are driven by changes in the finance field and by assessment information. The tremendous success of courses offered at other universities and colleges wherein students invest real dollars has led to the creation of such a course at UW-Whitewater.

Our assessment plan involves surveying alumni and employers to see how each group feels that finance majors are prepared for working in the field. The prior weakness of a lack of internships has been solved. Business 240-493, Internship in Finance, has averaged 42 internships over the past five years.

Generally, employers tell us that our graduates are well prepared for the world of finance in terms of having the writing, oral, and research skills necessary to assess issues and problems and make relevant decisions. At the Dean's Advisory Board meeting in the Fall of 2000, the alumni present and the other business persons present indicated that better computer skills would be nice (not in the sense of Excel or Word of PowerPoint skills, but in the sense that they could fix their own computers when they were broken), but, after a long discussion, realized that it is impossible to train finance majors and all other non-MCS business majors with the technical skills of those students who do major in MCS.

Finance students get jobs in banking, insurance, real estate, and other financial companies (e.g., mutual funds and financial planning firms). Their employers expect our students to have a solid background in financial theory and financial practice (e.g., understanding the time value of money concept and then knowing how to solve time value of money problems on both financial calculators and on computers).

The College adopted long-range objectives and short-term goals in the Fall of 1994 as part of the process of strategic planning for the University. The objectives relating to teaching follow below and show how the program has been successful in achieving students having a solid background in financial theory and financial practice. A complete copy of the College of Business and Economics Long-Range Objectives and Short-term goals is included in Appendix G. <u>These goals and objectives form the assessment criteria for our department.</u>

The format of the College of Business and Economics Long-Range Objectives and Short-term goals uses different words (long-range objectives, short-term goals) vis-a-vis the Audit and Review words (subject matter, cognitive development, skill objectives). **The numbers and letters used below correspond to Appendix G.** [Note: Appendix B shows the links between the individual courses and the expected student outcomes. Appendix B1 covers our one dual-listed course.]

<u>LONG-RANGE OBJECTIVES for Teaching (synonymous with expected student outcomes):</u>

1. Enrich the students' general education through the development of comprehensive knowledge in the various business subject areas, with a high level of technical ability in their respective major.

    B. Expand internship opportunities for students.

    Since establishing a formal internship course (240-493) and making it a regular quarter-time teaching assignment in Fall 1992, the number of internships has increased from the 17 internships in 1992 to 52 internships in 1999-2000. Data for all years follow: there were 17 in 92-3, 52 in 93-4, 48 in 94-5, 42 in 95-6, 31 in 96-7, 42 in 97-8, 45 in 98-9, and 52 in 99-00.

All faculty are constantly on the lookout for internship opportunities in their contacts with businesses.

D. Require students to be technically competent in their discipline.

Employers tell us constantly that our students are technically competent. When employers come to campus to recruit our students, many take the time to come to see me in 5002 Carlson. Almost without exception, they tell me two things: (1) they are very happy with the technical expertise of our past graduates that they have hired, and (2) could I please send them some more employees?

2. Provide interdisciplinary and out-of-classroom opportunities to enhance the overall development of students as effective citizens, prospective business leaders, and valued employees.

B. Encourage student organizations to sponsor forums that bring together external experts, faculty, and students to discuss issues of relevance to the profession.

The three major student organizations sponsored by the department: Finance Association, Portfolio Management Group, and Law Society host more than 20 speakers annually from various areas of finance and law. This gives students and faculty an opportunity to supplement their class work and to keep up with current happenings in the field. Increasingly, the speakers are UW-W alumni. For example, the Strong Mutual Fund family employs dozens of our graduated students, and they regularly speak at one or more meetings each year. Because our former students are also involved in the hiring process, when they come to speak to various organizations, they are also coming to recruit our students.

3. Increase analytical thinking and problem-solving skills in students.

A. Expect students to solve at least three unstructured problems in business courses each semester.

Most of our courses involve some kind of project(s) asking students to apply financial principles to business problems. We are committed to enhancing our students problem-solving skills. For example, Dr. Crabb's Advanced Life & Health course requires students to solve numerous actuarial science problems on an Excel spreadsheet, with many of the solutions demanding the creation of 300 to 400K spreadsheets.

B. Require students to complete at least one assignment in each major course which requires using analytical skills in helping to solve a business problem.

Every finance course has at least one assignment requiring the use of analytical skills. Many require several. The ability to integrate theory and practice is crucial to success in any area of finance. All of our students are required to be able to make a financial calculator "Sit up and talk" if they expect to pass our courses.

4. Enhance students' written and oral communication skills.

Goals A through D under this objective state that students are expected to demonstrate writing skills, to make oral presentations, and to participate in group projects in several classes. The faculty in finance and law are committed to using assignments, which test our students' abilities in these areas. For example, in Dr. Crabb's Advanced Property & Casualty course, students make three 20 to 25 minute presentations in PowerPoint and in Fran Hill's law class they write four to five papers.

5. Increase students' ability to use computer technology effectively as a source of information as well as a tool for problem solving and analysis.

   C. Require students to solve at least 5 problems in courses in their major using the computer.

      Most of the projects assigned in finance courses involve at least some computer work, and many require quite extensive computer activity. All finance majors should be able to work with spreadsheets and word processing software.

7. Accomplish a global business perspective with an awareness of cultural differences.

   D. At least one required course in each major will include a significant unit on international and cultural aspects of the discipline.

      Several required courses in finance have a major international unit. As our economy becomes more interrelated with other economies and the flow of capital between countries increases, the field of finance becomes more international in scope. Finance majors are exposed to these important principles in many contexts. As noted in the synopsis, Hamid Moini, Don Sorensen, and David Porter have done significant work in the international area, and students taking any (or all three) of those professors will get a healthy dose of globalization.

C. Assessment Data

At the start of each Spring semester a standardized exam is given to the students in 240-344 Business Finance, the first finance course which business students take. At the end of the semester the exam was given to the students (almost all finance majors) in 240-444 Corporate Financial Management Decisions, often taken in the finance major's last semester. The difference in the results was significant. The exam had 40 multiple choice questions. The table below shows the exam results for the past five years.

Year	344 Score	444 Score
1995-1996	37.6%	66.1%
1996-1997	38.7%	61.8%
1997-1998	34.7%	62.4%
1998-1999	35.3%	62.5%
1999-2000	35.3%	62.5%

The exam demonstrates that our courses do add value to our student’s understanding of finance, law, real estate, and insurance.

Research papers assigned in 240-456 Security Analysis ask students to do a variety of tasks. Those tasks relate to educational objectives, numbers two, four, five, and six. They must analyze securities, evaluate statistical data, perform research using a variety of sources of information, use computer spreadsheets and CD-ROM data bases, make forecasts of financial variables, and make investment recommendations. This year we also began incorporating class presentations into the assignment. They must be able to explain what they have done, and summarize their results clearly and concisely in writing.

The assessment of the faculty reading these papers is that the objectives are generally being met. There is certainly deviation from student to student, and some weakness in writing ability and in understanding of some financial relationships. But overall the students perform well on these assignments, with more than 75% earning and A or B grades.

Case studies assigned to students in 240-444 Corporate Financial Management Decisions help assess educational objectives four and six. The assignment shows the students' abilities to identify assumptions and understand risk/return relationships, and apply computer tools to the analysis.

Faculty evaluating these cases continue to find, as they did in 1990-1995, that many students write well and research well, but some students struggle in case courses. We need to continue to try to find ways to help students understand that, especially in finance, there often are no “right” answers, just a set of possible answers depending on the assumptions that one is making when s/he solves finance problems. Perhaps no area of finance has more volatility in answers than attempting to plan one’s own personal retirement. Tiny changes in assumptions can produce huge changes in how successful (or disastrous) your retirement will be. While this is obvious to those of you who are ages 55 to 65, in the black/white (no gray) world of students who are aged 20 to 25, some students have difficulty accepting the concept that many finance problems do not have a unique solution.

D. Program Improvement Resulting from Assessment Efforts

The March 14, 1997 Memorandum from Larry Davis to Joe Domitrz and the John Howat Memorandum to Joe Domitrz replying to Larry Davis Memorandum regarding assessment had three “Specific Actions Suggested:”
[See Appendix C for the complete memo from Larry David regarding the last Audit & Review.]

(1) Increase computer training and student presentations in courses;
(2) Increase experiential learning opportunities; and
(3) Make a concerted effort to recruit and retain qualified women and minority candidates as positions become available.

As noted above in various places, students are making more presentations in courses and using computers more each year. There is no hard data on this, but, as older less computer literate faculty retire and new more computer literate faculty are hired, the new faculty add considerable computer expertise to our department and demand that their students have that same expertise. Dr. Crabb did try, for one year, to teach the basic finance course, 240-344, in the computer lab. This proved to be exceptionally difficult to do, since there were more students in the course each semester than the teaching lab had computers. While this created no major problems on non-exam days, on exam days it was quite chaotic. Until we get larger labs, this type of teaching is not feasible.

The for-credit internships program has been very successful. In the past five years (1996-2000) we have had 212 internships for credit.

We were successful in hiring a woman with a Ph.D. in finance, but she was unable to get her research published. She resigned in the Summer of 1995. We tried for the next two years to recruit women, bringing several to campus. All took jobs elsewhere. We will be going to Seattle this Fall (2000), and have scheduled interviews with eight women and about 20 ethnic minorities. There are, however, about 150 people total (new Ph.D.s) looking for employment and 248 job openings. One woman with whom we had scheduled an interview has already cancelled as she took a job elsewhere prior to the Financial Management Association’s Annual Meeting in Seattle.

E. Information Shared with Constituencies

John Howat, the former Chair of the Department of Finance and Business Law, who has headed the Finance Association (FA), invites all current finance and law faculty and all current and former FA board members to a party at his home on homecoming weekend. Ron Crabb began attending these meeting in the Fall of 1995. As Chair, I continue to go to John’s party, meeting with old alumni and current FA board members.

Like many departments, we meet on a regular basis, meeting on the first Monday of every month.

II. Strategic Purposes and Performance

A. Centrality

1. The Finance Major is central to the mission and strategic plan in several ways. It is one of the extensive range of undergraduate programs leading to professional specialization. It is an important part of the BBA degree program, which is identified as an undergraduate emphasis, and an area of excellence and strength within the university. Faculty involved in the program are productive in terms of scholarly activity and continuing education and outreach programs.
2. Our relationship to the accounting program is in the area of law. Most of our accounting students come here with the expectation of getting their CPA designations after graduating from UW-Whitewater. Jim Molloy, J.D., teaches 240-342/542, the law course, which covers the materials that students need to know to pass the CPA law portion of the CPA exam. The last time the exam was given (May of 2000), UW-Whitewater students were ranked 1st in the nation. Our relationship to other majors in the school of business is that 240-341 (law) and 240-344 (finance) are required courses for all business majors.

B. Goals and Objectives

1. Department goals are part of the goals of the College of Business and Economics. Long-range objectives and short-term goals were adopted in the Fall of 1994 as a part of the process of strategic planning for the University. The objectives fall into three categories: teaching, research and service. The Finance and Business Law Department contributes to the accomplishment of many of those goals.

2. Specific information regarding the achievements of faculty members in the areas of teaching, research, and service can be found in the Synopsis and in section I. B.

3. An economist named Say once said "Supply creates its own demand." While this was true in the time period that he lived, it is no longer true. While there may be an excess of supply in graduates in some areas on this campus and on other UW-System campuses, finance majors possess knowledge and skills that make them highly sought after. Our placement figures demonstrate that our graduates are having no problems in finding jobs at banks, insurance companies, real estate firms, trust companies, and other financial corporations. Since these companies are at the very heart of our society (your have to have a place to bank, you have to have a place to live, you have to have a place to save for your retirement, you need life insurance when you are young and have young children and few assets), the finance program clearly contributes to the well-being of the citizens of the State of Wisconsin.

4. We worked hard at achieving goals and objectives that we had previously had problems with. See I. D. for our explanation of what we did re: the prior period's assessment.

C. Trend Data

The number of finance majors (Fall basis) is essentially the same in 99-00 as it was in 95-96. In between it fell and rose. See Appendix D.

Placement information is shown in the Demand for Graduates section of the report (directly below this section). The statistics are excellent, with the placement rate averaging 95% for the past five years and the percentage in related jobs generally around 90%.

Credits to degree for finance majors continues to be well below the average for all university students.

D. Demand for Graduates

Students have had a reasonably easy time of finding jobs over the past five years. Tabular data is shown below (see the following page).

Placement statistics are impressive. The following table shows the number of graduates placed, the percent of graduates placed, the percent placed in finance-related jobs, and the number pursuing a graduate degree (included in the number placed) in each of the most recent five academic years for which data is available.

E. Accreditation

Accreditation is important to the reputation and prestige of any program in business. The University of Wisconsin Board of Regent's policy requires that, in order to maintain a graduate program in business, both the undergraduate and graduate programs must be fully accredited by the American Assembly of Collegiate Schools of Business (AACSB). As part of the College of Business and Economics, the finance program is accredited by AACSB. To achieve this accreditation, finance faculty continue to publish their research, even after they have achieved tenure.

YEAR	MAJOR/EMPHASIS	NUMBER PLACED	PERCENT PLACED	PERCENT IN RELATED JOBS	GRADUATE SCHOOL
1994-95	Finance	44	88.0	95.4	2
	Financial Planning	12	92.3	100.0	2
	Real Estate	9	100.0	100.0	0
	Insurance	1	50.0	100.0	0
1995-96	Finance	42	91.3	82.6	2
	Financial Planning	29	93.6	80.7	1
	Real Estate	4	66.7	100	0
	Insurance	3	100.0	100	0
1996-97	Finance	53	98.1	100	1
	Financial Planning	10	100.0	100	1
	Real Estate	12	100.0	100	0
	Insurance	6	100.0	100	0
1997-98	Finance	37	95.1	100	8
	Financial Planning	11	100.0	100	1
	Real Estate	9	100.0	100	0
	Insurance	2	83.3	100	0
1998-99	Finance	38	95.1	77.2	8
	Financial Planning	13	100.0	70.8	1
	Real Estate	5	100.0	85.7	0
	Insurance	3	83.3	83.3	0

F. Location Advantage

The proximity of UW-W to major businesses and population centers of Southeastern Wisconsin and Northeastern Illinois gives the program a distinct advantage. Being close to Milwaukee, the financial center of Wisconsin, Madison the center of state government, and Chicago, the world center of trading in futures and options, gives both students and faculty access to businesses and financial markets. Students are better able to obtain jobs and internships. Student organizations are better able to attract a wide variety of speakers and develop opportunities for field trip experiences. Faculty are better able to maintain close ties to finance professionals, many of whom are former students.

G. Comparative Advantage

UW-W has the largest undergraduate business program in the state. It is one of only seven programs in the state which are accredited by the American Assembly of Collegiate Schools of Business. As an integral part of that business school, the finance major program has a distinct advantage over non-credited programs.

Again, the Dean (Joe Domitrz) has been very accommodating in helping the finance department recruit top-notch people. I recent returned from Seattle, and when we explained the financial support package that our Dean gives to new faculty members, virtually every person we interviewed was impressed.

Internships are an increasingly important part of the finance program. Students are placed with a wide variety of firms, primarily banks, brokerage firms, real estate firms, and insurance companies. As noted earlier, we have averaged 42 internships for the past five years (1996-2000).

H. Community Impact

The finance program impacts on the community and region in many ways. Both faculty and students are involved with area businesses and other community organizations.

Faculty involvement takes several forms. Several do consulting work with area businesses. The program is also represented in the Financial Executives Institute, an organization of chief financial officers of corporations in southeast Wisconsin, whose purpose is to share information regarding the finance function in a firm. Recall that Adam Mannetter won a $1,000 scholarship in the Fall of 2000 from the FEI organization. Faculty speak to business groups and civic organizations, sharing their expertise and insights. Mike Laird has his own radio program. Jim Molloy is on the Town Board of Dunn. Howard Olson serves on the Oakland Town Board .

Students are involved through working with the Small Business Institute program, where teams of students (overseen by a faculty advisor) help solve problems of area businesses. Students are also involved through the activities of student organizations. The Finance Association (FA), with its subsidiary organizations the Financial Planning Chapter and Real Estate Chapter, is the largest business student organization on campus. The Portfolio Management Group is a student investment club. The Financial Management Honor Society is part of the national organization, the Financial Management Association. The Law Society attracts students interested in the legal aspects of business. All are active in bringing speakers from area businesses to campus. FA publishes a resume booklet, which is sent to businesses to help students find jobs. FA also develops internships, maintains contacts with alumni, and does community service projects.

I. Strategic Planning

We plan to change 240-484 to a course that is currently taught gratis by Dr. John Howat to a regular paid course.

III. Resource Availability and Development

A. Faculty and Staff Characteristics

Twelve faculty and staff are involved in the program, two of whom are women. All faculty are terminally qualified and possess the necessary diversity of expertise to meet the needs of the program. Nine teach finance, insurance, and real estate courses, and three teach primarily business law. Two of those who teach law also can and do teach some finance courses. The table in Appendix F lists the faculty and staff, and for each, shows his/her rank, highest applicable degrees earned, and academic specialty areas in both teaching and research.

In the next five years, the finance and business law department will undergo significant change. John Thatcher has just announced his forthcoming retirement at the end of the 2000-2001 academic year. As many as five more retirements could take place in the next five-year period. Both the law faculty and the finance faculty can expect to spend an immense amount of time over the next five years finding people to replace those who are retiring.

Courses that specific faculty teach are shown in Appendix F. Anticipated staffing changes were described earlier in this report.

B. Teaching and Learning Enhancement

The finance program is fortunate to have a group of faculty and staff who are dedicated to quality teaching. Evidence of that fact is shown by the fact that in the 23 years that the Leon Hermsen Award for Outstanding Teaching has been given by the College of Business and Economics, it has been won by Finance and Business Law faculty eleven times. Of the 12 faculty currently teaching in the department, six have won that award one or more times.

Advising is an activity that is taken seriously by all faculty and staff. Each faculty member is assigned approximately 25 finance majors as advisees. Each student is encouraged to meet with his/her advisor at any time if she/he has a question or concern, and particularly to meet during the advance registration period each semester. All students are required to see his/her advisor in the semester when they first become finance majors in order to make sure the student is aware of important requirements, and to establish a relationship between the student and the advisor. One faculty member is designated as the departmental advisor for finance and is advertised as such on posters around the college.

Faculty also serve as advisors to the four major student organizations related to the finance program: Finance Association (the largest student organization on campus) and its subsidiary groups Real Estate Chapter and Financial Planning Chapter, Portfolio Management Group, Financial Management Association Honor Society (affiliated with the national Financial Management Association), and Law Society. Typical activities include bringing speakers from various areas of finance to campus, sponsoring field trips, maintaining contacts with alumni, publishing a resume book which is sent to area businesses, securing internships, and enjoying social activities. These organizations are all very active, and each advisor devotes a substantial amount of time to his/her organization

C. Research and Other Scholarly/Creative Activities

Finance faculty and staff are actively engaged in scholarly and creative work. Following is a list of articles published in peer reviewed journals in each of the last five years.

<u>1995-96</u>

Ron Crabb, "Managing the Insurance Enterprise," published in the Proceedings of the 30th Actuarial Research Conference in College Park, PA on August 17-21, 1995.

Fran Hill, "The 1993-94 Academy of Legal Studies in Business Salary Survey: Characteristics and Determinants of Faculty Salaries," <u>The Journal of Legal Studies Education</u>, (JLSE) Vol. 13, No. 1, August 1995 (co-authored).

Abdol Moini, "An Inquiry Into Successful Exporting: An Empirical Investigation Using a Three-Stage Model," <u>Journal of Small Business Management</u>, July 1995.

Abdol Moini, "Transmission of Money Market Fluctuations Between the United States and the United Kingdom," <u>Midwest Review of Finance and Insurance</u>, March 1996, pp. 203-211.

Howard Olson, "Get Into the Game," <u>REACTION</u> (based on presentation of "Contemporary Monopoly" at Louisville, KY, June 1995 at REEAs Annual Convention).

Donald Sorensen, "New Tax Law Means Changing Strategies for Retirement Planning," published in refereed proceeding of <u>Midwest Review of Finance and Insurance</u>, 1995.

Donald Sorensen, Ancillary text published entitled, <u>Test Bank to accompany Foundations of Corporate Finance</u>, November 1995, 247 pages, (West Educational Publishing Co.).

Janet Thatcher, "Arbitrage Opportunities in Currency and Credit Markets: New Evidence," <u>International Journal of Finance</u>, Vol. 7, No.1, 1995.

<u>1996-1997</u>

Frances Hill, "Law-Related Courses Offered by Wisconsin Public High Schools: A Survey," <u>Wisconsin School News</u>, with Jim Molloy, June 1996, pp. 19-21.

Michael Laird, "Insider Trading," <u>Managerial Auditing Journal</u>, Vol. 10, No. 5, pp. 16.

Abdol Moini, "Barriers Inhibiting Export Performance of Small and Medium-Sized Manufacturing Firms," <u>The Journal of Global Marketing</u>, Vol. 10, No. 4, 1997.

James Molloy, "Law-Related Courses Offered by Wisconsin Public High Schools: A Survey," co-authored with Professor Frances Hill, <u>Wisconsin School News</u>, June 1996.

<u>1997-1998</u>

Abdol Moini, "Small Firms Exporting: How Effective are Government Export Assistance Programs?," <u>The Journal of Small Business Management</u>, Vol. 36, No. 1, January 1998, pp. 95-106.

Abdol Moini, "Planning for Product Development Among Smaller Manufacturing Enterprises: A Longitudinal Study," co-authored with George Tesar, <u>Journal of Global Marketing</u>, Vol. 11(4), 1998, pp. 95-106.

Abdol Moini, "Globalization of Faculty, Students, and Programs: An Approach," co-authored with George Tesar, <u>Journal of Teaching in International Business</u>, Vol. 9, No. 4, 1998, pp. 85-104.

David Porter, "Tick Size and Market Quality," <u>Financial Management</u>, Vol. 26, No. 4, Winter 1997, pp. 5-26.

David Porter, "Fragmentation, Competition, and Limit Orders: New Evidence from Interday Spreads," <u>The Quarterly Review of Economics and Finance</u>, Vol.38, No. 1, Spring 1998, pp.111-128.

David Porter, "Indirect Tests of the Haugen-Lakonishok Small-Firm/January Effect Hypothesis: Window Dressing versus Performance Hedging," <u>The Financial Review</u>, Vol. 33, No. 2, May 1998, pp. 179-194.

John Thatcher, "Fragmentation, Competition, and Limit Orders: New Evidence from Interday Spreads," <u>The Quarterly Review of Economics and Finance</u>, Vol. 38, No. 1, Spring 1998, pp. 111-128.

<u>1998-1999</u>

Michael Laird, "Glass Steagal Banking Act-It's Demise," <u>Managerial Auditing Journal</u>, Vol. 13, No. 9, 1998, pp. 504.

Hamid Moini, "Longitudinal Study of Exporters and Non-exporters," <u>International Business Review</u>, Fall 1998, pp. 219-313.

Hamid Moini, "Firms' Export Behavior," American Business Review, January 1999, pp. 86-93.

Richard Opie, "Longitudinal Study of Exporters and Non-exporters," International Business Review, Fall 1998, pp. 219-313.

Richard Opie, "Firms' Export Behavior," American Business Review, January 1999, pp. 86-93.

David Porter, "Post-trade Transparency on NASDAQ's National Market System," Journal of Financial Economics, November 1998, pp. 231-252.

Janet Thatcher, "Timing Performance of New Corporate Bond Issues," The International Journal of Finance, November 1998.

1999-2000

Ronald Crabb, "Cash flow: A quick and easy way to learn personal finance," Financial Services Review, No. 8, 1999, pp. 269-282.

Hamid Moini, "Long-Term analysis of Technologically focused smaller manufacturing enterprises," co-authored with George Tesar, Scandinavian Journal of Management, Vol. 15(3), pp. 239-248.

David Porter, "Should Securities Markets Be Transparent," Securities Week, Vol. 26, No. 38, September 20, 1999.

Donald Sorensen, "Characteristics of Merging Firms," Journal of Economics and Business.

Janet Thatcher, "Interest Rate Parity and the Behavior of the Bid-Ask Spread," The Journal of Financial Research, Vol. 22, No. 2, Summer 1999, pp. 189-206.

Other major activities include papers presented at professional meetings and reviews of books and manuscripts (again, all externally reviewed). The following table presents the total number of such activities in each year for the last five years.

Year	Presentations	Reviews
1995-1996	17	3
1996-1997	16	18
1997-1998	12	5
1998-1999	8	2
1999-2000	13	6

Professional and Public Service

Finance faculty have been actively involved in professional and public service since the last audit and review. They are particularly active in professional organizations. The following table presents yearly data for the number of professional organizations in which membership was held (Organizations as the heading), the number of meetings attended (Participation), and the number of offices held (Offices).

Year	Organizations	Participation	Offices
1995-96	71	40	16
1996-97	51	22	12
1997-98	50	29	10
1998-99	56	21	11
1999-00	51	12	7

Service to the college and university is also emphasized among the finance faculty and staff. While many types of service are done both within and without the university, service is most easily quantified by the number of college, university, and system committees on which faculty and staff serve. The following table shows the number of such committee assignments in each of the last five years.

Year	College	University	System
1995-96	22	29	1
1996-97	15	15	1
1997-98	17	14	1
1998-99	16	12	1
1999-00	15	12	1

We are proud to note that one of our faculty, Donald Sorensen, chaired the search committee that hired Chancellor Jack Miller.

Many other types of service activities are done. All faculty make speeches, conduct seminars, and serve on discussant panels based on their professional expertise. Several faculty continue to teach a course for new freshman entitled Introduction to University Life on a voluntary basis. Faculty also arrange internships for students, arrange speakers for classes or student organizations, and serve on local school boards and other government panels. The Chair spends a considerable amount of time helping students with their schedules when they are going to spend a semester abroad.

D. External Funding

John Thatcher received a $40,000 grant to support the development of the new Science and Business Integrated Major, a highly innovative interdisciplinary program combining faculty from the College of Letters and Sciences and the College of Business and Economics. The Science and Business Integrated Major is designed for students interested in pursuing a career as a manager with firms operating in technologically based industries. This new major is now up and running.

E. Professional and Public Service

Several faculty have been actively involved in professional organizations. Fran Hill has been particularly active in the Academy of Legal Studies in Business. Dave Porter has been appointed to the editorial board of the Journal of Financial Case Research. Ron Crabb has served as a reviewer for the Financial Services Review and the Journal of Financial Education. Janet Thatcher is serving a three-year term on the Board of Directors of the Midwest Finance Association. Also, see the Synopsis and tabular materials above in section II C.

F. Resources for Students in the Program

Resources available to the program can be analyzed in several ways. The following table shows data for the last five years regarding budgeted FTE faculty, total SCH generated, number of majors (in the Fall semester), SCH per FTE, and majors per FTE.

Year	FTE	SCH	Majors	SCH/FTE	Majors/FTE
1995-96	27.00	7524	371	278.67	13.74
1996-97	24.50	6732	328	274.78	13.39
1997-98	22.67	6812	335	300.53	14.78
1998-99	24.75	7868	371	317.90	14.99
1999-00	24.08	7856	381	326.20	15.82

Year	Student Help	Capital	Supplies/Service
1995-1996	2,500	5,300	17,782
1996-1997	1,505	0	19,877
1997-1998	2,500	1,500	17,382
1998-1998	2,500	1,500	17,382
1999-2000	2,500	0	18,882

Dollars budgeted to the department also show the extent of resources available. The table above shows amounts budgeted to student help, capital, and supplies/services each year over the last five years.

G. Facilities, Equipment and Library Holdings

Beyond up-to-date computers and up-to-date data tapes, extensive facilities and equipment are not essential to support a successful finance program. Classroom and office space are mostly adequate. However, it would be nice to have one large classroom with 45 computers such that courses could be taught in Excel and students could work along with the instructor. Each faculty member has a personal computer in his/her office. Microsoft Office is available to all students and faculty.

Business Periodicals On Disc assures that the most widely-used finance periodicals (both popular and academic) are available. Major reference materials in finance are also available. Prime examples are Value Line Investment Survey, Value Screen II Software, Standard and Poor's Reports, and Moody's Manuals. The ability to access data on line from anywhere in the world has made it necessary to have up-to-date computers on all faculty members' desks. The Dean (Joe Domitrz) has been very accommodating, replacing computers whenever faculty members complain that their research is being slowed down by their computer.

Appendix F

Faculty and Staff

Name	Rank	Degree	Academic Specialties: Teaching	Academic Specialties: Research
Aulerich, John	Assistant	Ph.D.	Financial Institutions & Markets Finance	Dividend Policy Quasi-Rationality in Finance
Crabb, Ronald	Associate	Ph.D.	Insurance Advanced Life & Health Advanced Property Casualty	Probabilistic Estate Planning New Teaching Methodologies
Hill, Frances	Professor	J.D. MBA	Business Law Estates and Trusts Health Care Law	Title VII Tax Issues
Howat, John	Associate	Ph.D.	Investments Financial Management Financial Markets	Futures Options Convertible Securities
Laird, Michael	Associate	J.D. MBA	Business Law Real Estate	Sexual Harassment Political Correctness Bill of Rights
Moini, Hamid	Professor	Ph.D.	Financial Institutions & Markets International Finance	Small Firm Exporting Minority-Owned Banking
Molloy, James	Associate	J.D.	Business Law Adv. Business Law	General Business Law
Olson, Howard	Associate	Ph.D.	Real Estate Insurance	Taxation & Limited Partnerships
Porter, David	Professor	Ph.D.	Financial Markets Corporate Finance	Market Microstructure Financial Markets
Sorensen, Donald	Associate	Ph.D.	Financial Management Investments Financial Institutions International Finance	Bank Management Entrepreneurship Traits
Thatcher, Janet	Professor	Ph.D.	Financial Management Investments Securities Analysis	Corporate Finance Investment Management
Thatcher, John	Associate	Ph.D.	Financial Management Investments Personal Financial Planning	Corporate Finance Investment Management