

## A New CSULB Minor Program: Minor in Finance

### 1. Program Type: State-Support (Please specify any from the list below that apply—delete the others)

✓ *State-Support*

*The proposed **Minor in Finance** program will utilize the existing facilities and faculty.*

### 2. Program Identification

a. Campus: *California State University, Long Beach.*

b. Full and exact degree designation and title: *Minor in Finance.*

c. Term and academic year of intended implementation: *Spring 2012.*

d. Name of the department: *Department of Finance (CBA)*

e. Name, title, and rank of the individual(s) primarily responsible for drafting the proposed minor or certificate program.

- *S. V. Le, Professor of Finance, Chair of Finance Department*
- *Yulong Ma, Professor of Finance, Finance Dept. Curriculum Committee Member*
- *Cindy Chen, Assistant Professor of Finance, Finance Dept. Curriculum Committee Member*
- *Pia Gupta, Assistant of Professor of Finance, Finance Dept. Curriculum Committee Member*
- *Ketaki Kunte, Graduate Assistant*

f. Statement from the appropriate campus administrative authority that the addition of this program supports the campus mission and will not impede the successful operation and growth of existing academic programs.

*Please see the letter of support from Dean Michael Solt, College of Business Administration.*

g. Any other campus approval documents that may apply (e.g. curriculum committee approvals).

*The Undergraduate Programs Committee of the CBA approved the revised proposal for Minor in Finance program. The minutes of its May 5, 2011 meeting is attached.*

### 3. Program Overview and Rationale

a. Rationale, including a brief description of the program, its purpose and strengths, fit with institutional mission, and a justification for offering the program at this time. The rationale may explain the relationship among the program philosophy, design, target population, and any distinctive pedagogical methods.

#### Description of project:

*Department of Finance proposed the following minor program comprised of six courses including three required core courses.*

#### Requirements

- *Students must have Junior standing*
- *Students will be allowed to declare the Finance minor after completing Fin 300 with letter grade “C” or better.*
- *Students must complete the following three core courses prior to taking any other Finance courses):*
- *Finance 300 Business Finance (3),*
- *Finance 350 Investment Principles (3), and*
- *Accounting 201 Elementary Financial Accounting (3);*

*Students must complete three additional courses (9 additional units) from among the various Finance courses, with at least two courses (6 units) being taken at the 400 level<sup>1</sup>:*

- *FIN 310 Personal Finance (3)*
- *FIN 330 Insurance Principles (3)*
- *FIN 340 Real Estate Principles (3),*
- *FIN 360 Capital Markets (3),*
- *FIN 370 Working Capital Management and Cash Budgeting (3),*
- *FIN 400 Intermediate Financial Management (3),*
- *FIN 450 Portfolio Analysis (3),*
- *FIN 460 Management of Financial Institutions (3),*
- *FIN 470 Seminar in Financial Management (3),*
- *FIN 480 Derivatives (3),*
- *FIN 485 Fixed Income Securities (3),*
- *FIN 490 International Finance (3).*

#### **Purpose and Strengths:**

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<sup>1</sup> Please note that the prerequisite, IS 301 Business Communication, that is required for all 400-level courses in CBA, is waived for minors.

*Students may elect to complete a minor and have that fact noted on their records. A minor in Finance is a structured selection of courses by which a student can enrich his or her academic preparation through concentrated study of a discipline that is different from, but may be related to, the student's declared major in economics, mathematics, International Studies and other non-business majors. Students should consult with an advisor in their major department for recommendations on suitable minor fields of study.*

*The Finance Minor allows non-business majors the opportunity to pursue secondary interests in finance. This minor encourages undergraduate students to acquire a broad understanding of managing finance by taking courses in areas such as Business Finance, Investment Principles, Portfolio Analysis, Real Estate Principles, Working Capital Management and Capital Markets.*

*This minor is a flexible program to study finance, which is ideal for students interested either in intellectual enrichment or professional development in their major. A study in Finance enables undergraduate students to comprehend major issues and concepts of mainstream Finance. Additionally, it equips students with the practical tools required to apply such concepts to the real world of Finance.*

**b. Proposed catalog description, including program description, degree requirements, and admission requirements.**

## **Minor in Finance**

### **Requirements**

- *Students must have Junior standing*
- *Students will be allowed to declare the Finance minor after completing Fin 300 with letter grade "C" or better.*
- *Students must complete the following three core courses prior to taking any other Finance courses: FIN 300, ACCT 201 and FIN350.*
- *For Non-Business Students only (NOTE: the IS 301 pre-requisite requirement is waived for the minor).*
- *Three additional courses (9 additional units) from various Finance courses, with at least two courses (6 units) being taken from 400-level courses: FIN 310, FIN 330, FIN 340, FIN 360, FIN 370, FIN 400, FIN 450, FIN 460, FIN 470, FIN 480, FIN 485, FIN 490.*

### **4. Curriculum**

a. Goals for the program and student learning outcomes: (1) Program goals are very broad statements about what the program is intended to achieve, including what kinds of

graduates will be produced. (2) Student learning outcomes are more specific statements that are related to the program goals but that more narrowly identify what students will know and be able to do upon successful completion of the program.

*The Minor in Finance curriculum is designed to help students with non-business majors to gain additional knowledge and skills essential to their career success, especially if the career goals involve working in a financial institution.*

Student learning outcomes include:

***a.1/ Critical Thinking***

- *To demonstrate an understanding of how the application of time value of money concepts and risk and return theory are fundamental to the improvement of business performance.*

***a.2/ Quantitative & Technical Skills***

- *To apply time value of money quantitative techniques to business information and how this relates to investment decisions and improvement of financial performance.*

***a.3/ Management Specific Learning Goals - Business Functions***

- *To demonstrate that they can understand the advantages, disadvantages, and costs of the sources of long-term capital (specifically bonds, preferred, and common stock), and how these can be used to support the growth of business, and to be able to apply capital budgeting theory and techniques to make long-term investment decisions.*

***a.4/ Ethics***

- *To distinguish ethical corporate actions from ones that are not, and to understand how unethical behavior can lead to a loss of value and decline of a firm.*

**b. Plans for assessing program goals and student learning outcomes.**

College Level Learning Goal	Course Level Learning Goal	Measurement Method (e.g. objective test, project -- include number of students and sections assessed)	Percent of Students who exceed, meet and do not meet expectations			Action
			Exceed	Meet	Do not meet	

<b>Critical Thinking</b>	At the end of the course, students will demonstrate an understanding of how the application of time value of money concepts and risk and return theory are fundamental to the improvement of business performance	Objective test		
<b>Management Specific Learning Goals - Business Functions</b>	At the end of the course, students will (a) demonstrate they can understand the advantages, disadvantages, and costs of the sources of long-term capital (specifically bonds, preferred, and common stock) and how they can be used to support the growth of business, and (b) be able to apply capital budgeting theory, and techniques to make long-term investment decisions.	Objective test		
<b>Quantitative &amp; Technical Skills</b>	At the end of the course, students will be able to apply time value of money quantitative techniques to business information and understand how this relates to investment decisions and improvement of financial performance	Objective test		
<b>Ethics</b>	At the end of the course, students will (a) be able to distinguish ethical corporate actions from ones that are not, and (b) understand how unethical behavior can lead to a loss of value and decline of a firm	Objective test		

**c. Total number of units required for the minor or certificate:**

*A minimum of 18 units is required. A Minor in Finance must complete the following courses with a GPA of 2.0 or better.*

**Requirements**

- *Students must have Junior standing*
- *Students will be allowed to declare the Finance minor after completing Fin 300 with letter grade “C” or better.*
- *Students must complete the following three core courses prior to taking any other Finance courses:*

*FIN 300 Business Finance (3)*

*ACCT 201 Elementary Financial Accounting (3)*

*FIN 350 Investment Principles (3)*

*For Non-Business Students only (NOTE: the IS 301 pre-requisite requirement is waived for the minor).*

*Three additional courses (9 additional units) from various Finance courses, with at least two courses (6 units) being taken from at the 400 level courses:*

*FIN 310 Personal Finance*

*FIN 330 Insurance Principles*

*FIN 340 Real Estate*

*FIN 360 Capital Markets*

*FIN 370 Working Capital Management (Prerequisite: FIN 300)*

*FIN 400 Intermediate Financial Management (Prerequisites: FIN 300, ACCT 201)*

*FIN 450 Portfolio Analysis (Prerequisite: FIN 350)*

*FIN 460 Management in Financial Institutions (Prerequisite: FIN 300)*

*FIN 470 Seminar in Financial Management (Prerequisite: FIN 400)*

*FIN 480 Derivatives (Prerequisite: FIN 350)*

*FIN 485 Fixed Income Securities (Prerequisite: FIN 350)*

*FIN 490 International Finance (Prerequisite: FIN 300)*

**a. A list of all courses *required* for the minor or certificate, specifying catalog number, *title*, units of credit, and prerequisites or co-requisites (ensuring that there are no “hidden” prerequisites that would drive the total units required to graduate beyond the total reported in 4c above).**

**ACCT 201 Elementary Financial Accounting (3)**

*Introduction to financial accounting practice. For business majors. Laboratory and/or class computer applications are a requirement of the course.*

**FIN 300 Business Finance (3)**

*Introductory course for all business majors. Integration of computer applications and management information systems in (1) Time Value of Money, Risk, Valuation, Cost of Capital; (2) Capital Budgeting; (3) Long-Term Financing Decisions; (4) Working Capital Policy and Management; (5) Financial Analysis and Planning; (6) International Finance; (7) Special topics including Mergers, Acquisition and Bankruptcy.*

*Letter grade only (A-F).*

**310. Personal Finance (3)**

*Financial analysis planning and management for the individual. Topics include owning and financing a home, minimizing taxes, goals and strategies for investing, budgeting, savings plans, controlling expenses and credit usage, determining insurance needs, and planning retirement.*

*Letter grade only (A-F).*

**330. Insurance Principles (3)**

*Principles of risk-bearing and insurance. Life and property-liability insurance needs of the individual. Types of carriers and insurance markets; organization and functions of carriers; industry regulation.*

*Letter grade only (A-F).*

**FIN 340 Real Estate Principles (3)**

*Real estate markets, institutions and activities from the perspective of the decision makers involved in real estate. Fundamental physical, legal, regulatory, economic, mathematical and taxation considerations influencing real estate decision and values. Brokerage, property management, appraisal and counseling.*

*Letter grade only (A-F).*

**FIN 350 Investment Principles (3)**

*Prerequisite: FIN 300*

*Investment markets and transactions; sources of investment information; return vs. risk; margin trading and short selling; investment planning; investing in equities and fixed income securities; speculative tax-sheltered investments; gold and other tangibles; portfolio management. Demonstrations and use of microcomputer technology.*

*Letter grade only (A-F). Course fee may be required.*

***FIN 360 Capital Markets (3)***

*Capital formation, rates, markets and institutions. Flow of fund analysis, intermediation, interest rate structures, risks and liquidity. Management of financial institutions.*

***FIN 370 Working Capital Management and Cash Budgeting (3)***

*Prerequisite: FIN 300.*

*An introduction to working capital management and policy issues in general and how to manage short term assets and liabilities in particular. Cash forecasting and budgeting and short term investing and financing will be the focus of the course.*

*Letter grade only (A-F).*

***FIN 400. Intermediate Financial Management (3)***

*Prerequisites: FIN 300*

*An intermediate-level, lecture-discussion course in corporate finance. Topics include: cash budgeting, capital budgeting, business acquisition and mergers, cost of capital, and international finance.*

*Letter grade only (A-F).*

***FIN 450 Portfolio Analysis (3)***

*Prerequisite: FIN 350*

*Microcomputer technology to perform security analysis including bonds and the bond market, stocks and the stock market, security valuation, fundamental and technical analysis, portfolio management and risk-reward relationships.*

*Microcomputer software programs that perform security analysis and portfolio management using numerous databases.*

*Letter grade only (A-F). Course fee may be required.*

***FIN 460 Management in Financial Institutions (3)***

*Prerequisites: FIN 300*



*Students will be introduced to management of banks and other depository financial institutions. Banking trends and introductory topics, Asset and Liability Management, Capital adequacy and Management of Investment portfolios will be the main focus of the course.*

*Letter grade only (A-F).*

***FINA470 Seminar in Financial Management (3)***

*Prerequisites: FIN 400*

*This course is designed to enhance students' comprehension of finance theories through case studies. The subject of each designed case is related to specific finance subjects including estimation of cost of capital, resource allocation and capital budgeting, IPOs, stock repurchase, dividend policy, agency cost, and merger and acquisition.*

*Letter grade only (A-F).*

***FIN 480 Derivatives (3)***

*Prerequisites: FIN 300 and 350*

*Exchanges, operation of firms, trading mechanics, and construction of a personal-risk profile analysis. Traditional decision variables, including construction of a 2-asset portfolio. Bias in futures prices, theory of storage price, ledger and speculator behavior, and stochastic nature of futures prices.*

*Letter grade only (A-F). Course fee may be required.*

***FIN 485 Fixed Income Securities (3)***

*Prerequisites: FIN 350*

*The course analyzes fixed income securities option embedded fixed income securities and interest rate derivatives. Usual duration and convexity analysis, and the interest rate stochastic processes and other forecasting techniques will be studied. New breeds of fixed income securities, various collateralized bond obligations and other asset backed securities, and interest rate arbitrage techniques will be introduced.*

*Letter grade only (A-F).*

***FIN 490 International Finance (3)***

*Prerequisite: FIN 300*

*International trade theories, international payments; currency value fluctuations and exchange rates; international capital markets; roles of developing countries; international institutions and multi-national enterprises. Individual research required.*

b. Attach a proposed course-offering plan for the first three years of program implementation, indicating, where possible, likely faculty teaching assignments.

*These are existing courses. We do not expect that the increase in student enrollment as a result of the proposed Minor in Finance will significantly affect the faculty teaching assignments.*

h. Criteria for student continuation in the program.

*There are no specific criteria for student continuation in the program. As stated in the CSULB Catalog, students may not have to finish a minor.*

i. Provision for meeting accreditation requirements, if applicable, and anticipated date of accreditation request (including the WASC Substantive Change process).

*N/A*

## **5. Need for the Proposed Minor or Certificate Program**

a. List of other California State University campuses currently offering or projecting the proposed programs; list of neighboring institutions, public and private, currently offering the proposed programs.

*California State University, Northridge*

*California State University, San Bernardino*

*California State University, Los Angeles*

*San Jose State University*

**b. Differences between the proposed program and programs listed in Section 5a above.**

*The CSULB Minor in Finance program will offer CSULB Non-Business majors an opportunity to learn finance at CSULB campus without traveling to other CSU campuses.*

**c. List of other curricula currently offered by the campus that are closely related to the proposed program.**

*No other "Minor in Finance" is being offered by CSULB. Other similar Minor programs being offered by CBA are: (1) Minor in Human Resources Management, (2) Minor in Entrepreneurship (3) Minor in Marketing, and (4) Minor in Management Information Systems.*

**d. Community participation, if any, in the planning process. This may include prospective employers of graduates.**

*There is no community participation in the planning process since this involves only an offering of a minor program and no new courses being added.*

**e. Applicable workforce demand projections and other relevant data.**

*Recent years have witnessed a growing importance of quantitative methods in both financial research and industry. There has been increasing demand for students with highly quantitative backgrounds to work in the financial field.*

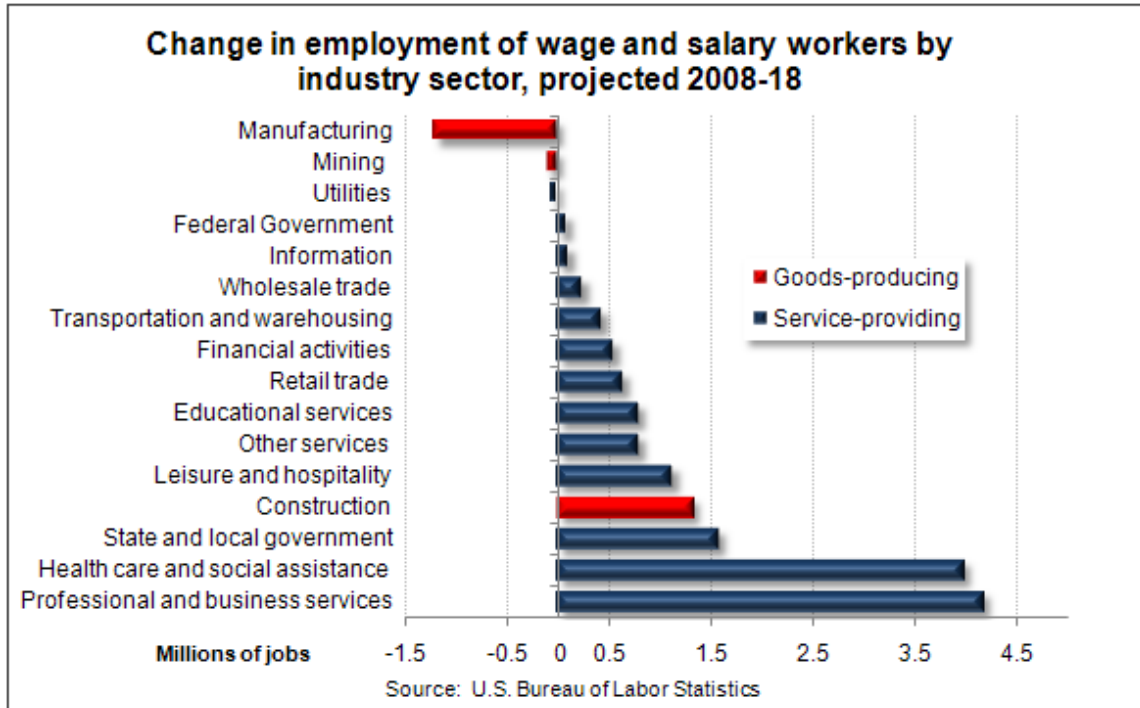
*The finance minor is open to non-business majors, with economics and mathematics majors being the most likely pool. Employers of these students encompass many sectors of the economy, including manufacturers, financial service firms, and government employers. Examples include:*

<i>Accounting firms</i>	<i>Investment banks</i>
<i>Brokerage firms</i>	<i>Mutual funds</i>
<i>Commercial banks</i>	<i>Pension funds</i>
<i>Consulting firms</i>	<i>Pension management companies</i>
<i>Corporations</i>	<i>Private equity firms</i>
<i>Engineering firms</i>	<i>Ratings companies</i>
<i>Federal/State/Local government agencies</i>	<i>Research firms</i>
<i>Financial service firms</i>	<i>Securities and commodities</i>
<i>Foundations</i>	<i>Transportation companies</i>
<i>Hedge funds</i>	<i>Trust companies</i>
<i>Insurance companies</i>	

**Table 1**

**Projected employment: 2008-18**

Financial sector is expected to generate 0.5 million jobs by 2018



Source: [http://www.bls.gov/opub/ted/2010/ted\\_20100104.htm](http://www.bls.gov/opub/ted/2010/ted_20100104.htm)

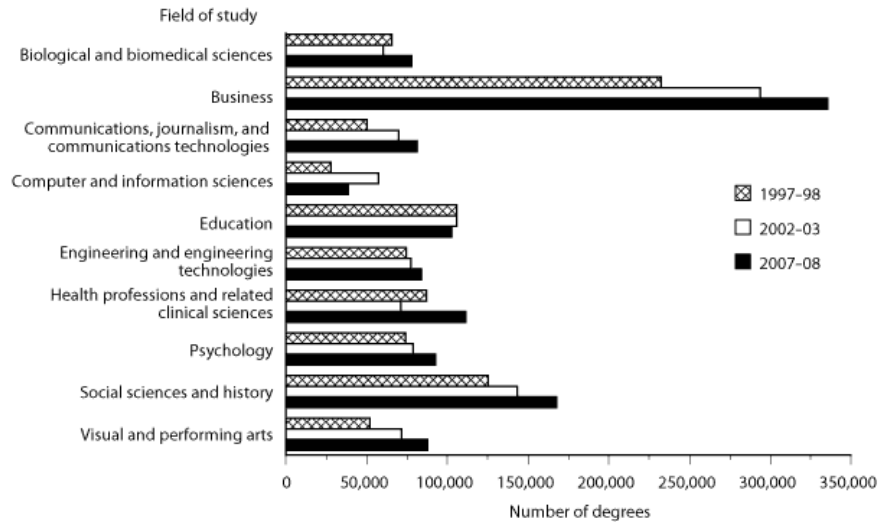
f. **If the program was proposed to meet society’s need for the advancement of knowledge, please specify the need and explain how the program meets that need.**

*The enclosed table shows that the demand/need for Finance and business knowledge is very high. Of the 1,563,000 bachelor's degrees conferred in 2007–08, the greatest numbers of degrees were conferred in the fields of business (including finance) (335,000); social sciences and history (167,000); health sciences (111,000); and education (103,000).*

**Table 2**

**Undergraduate enrollments in the field of business (including Finance)**

Figure 15. Bachelor's degrees conferred by degree-granting institutions in selected fields of study: 1997–98, 2002–03, and 2007–08



SOURCE: U.S. Department of Education, National Center for Education Statistics, 1997–98, 2002–03, and 2007–08 Integrated Postsecondary Education Data System, "Completions Survey" (IPEDS-C:97–98), and Fall 2003 and Fall 2008.

Source: [http://nces.ed.gov/programs/digest/d09/figures/fig\\_15.asp](http://nces.ed.gov/programs/digest/d09/figures/fig_15.asp)

*The Finance courses provide non-business majors with the foundation and tools for a variety of financial situations and problem solving.*

*The listing below offers examples of possible career paths of the finance minors.*

- *Information Scientist*
- *Actuary*
- *Business Analyst*
- *Emerging Markets Derivatives Trader*
- *Investment Analyst*
- *Pension Fund Manager*
- *Commodities Analyst*
- *Portfolio Analyst*
- *Portfolio Manager*
- *Emerging Markets Derivatives Trader*
- *Quantitative Management Associate*
- *Financial Analyst*
- *Research Analyst*
- *Securities Analyst*
- *Securities Pricing Analyst*
- *Financial Engineer*
- *Securities Trader*
- *Statistician*
- *Mutual Fund Manager*
- *Financial Product Designer*
- *Financial Risk Manager*
- *Underwriter*
- *Pricing and Cost Analyst*
- *Program Analyst*
- *Securities Pricing Analyst*
- *Risk Consultant*

**Note: Data Sources for Demonstrating Evidence of Need**

APP Resources Web <http://www.calstate.edu/app/resources.shtml>

US Department of Labor, Bureau of Labor Statistics

California Labor Market Information

Labor Forecast

**g. Student Demand**

Compelling evidence of student interest in enrolling in the proposed program. Types of evidence vary and may include national, statewide, and professional employment forecasts and surveys; petitions; lists of related associate degree programs at feeder community colleges; reports from community college transfer centers; and enrollments from feeder baccalaureate programs, for example.

*The above Tables 1 and 2 demonstrated compelling evidence of student interest in enrolling in the proposed program. In addition, the explosive growth in quantitative finance has led students in other fields, such as economics, mathematics, physics, computer science and engineering to study Finance/Investments and Financial Engineering.*

**h. Issues of access considered when planning this program.**

*From student enrollment figures over the past few years, we do not expect any potential problem in terms of students' access to the courses being required in this minor program.*

**i. Professional uses of the proposed program.**

*Financial managers and related professionals are playing an increasingly important role in mergers, consolidations, global expansion, and financing, where their extensive quantitative analysis helps to reduce risks and maximize profit.*

j. The expected number of students in the year of initiation and three years and five years thereafter. The expected number of graduates in the year of initiation, and three years and five years thereafter.

*Year of initiation: 20*

*3-years thereafter: 50*

*5-years thereafter: 80*

**7. Existing Support Resources for the Proposed Minor or Certificate Program**

**Note:** Sections 7 and 8 should be prepared in consultation with the campus administrators responsible for faculty staffing and instructional facilities allocation and planning. A statement from the responsible administrator(s) should be attached to the proposal assuring that such consultation has taken place.

*Existing faculty/staff and resources should be sufficient to meet needs of the proposed program (please see the CBA Dean's letter.)*

a. Faculty who would teach in the program, indicating rank, appointment status, highest degree earned, date and field of highest degree, professional experience, and affiliations with other campus programs. For graduate programs, include faculty publications or curriculum vitae.

**Note: For all proposed graduate degree programs, a minimum of five full-time faculty members with the appropriate terminal degree should be on the program staff.**

- *Peter Ammermann, Ph.D.: Associate Professor of Finance*
- *Hamdi Bilici, Ph.D.: Professor of Finance*
- *Cindy Chen, Ph.D.: Assistant Professor of Finance*
- *S.V. Le, Ph.D.: Professor of Finance*
- *Yulong Ma, Ph.D.: Professor of Finance*
- *Pia Gupta, Ph.D.: Assistant Professor of Finance*
- *Chanwit Phengpis, Ph.D.: Associate Professor of Finance*
- *Thomas Rhee, Ph.D.: Professor of Finance*
- *Darshan Sachdeva, Ph.D.: Professor of Finance*
- *Jasmine Yur-Austin, Ph.D.: Professor of Finance*

b. Space and facilities that would be used in support of the proposed program.

- *CBA Classrooms*
- *CBA Computer classrooms*
- *CBA Open Access Lab*

c. A report provided by the campus Library, detailing resources available to support the program (discussion of subject areas, volume counts, periodical holdings, etc. are appropriate).

*Electronic Access to Online Journals and Periodicals is available in the University Library*

d. Existing academic technology, equipment, and other specialized materials currently available.

- *CBA Open Access Lab,*
- *CBA Computer classrooms,*
- *Bloomberg Terminals,*
- *Financial Databases.*

## **8. Additional Support Resources Required**

Note: If additional support resources will be needed to implement and maintain the program, a statement by the responsible administrator(s) should be attached to the proposal assuring that such resources will be provided.

a. Any special characteristics of the additional faculty or staff support positions needed to implement the proposed program.

*Existing faculty/staff and resources should be sufficient to meet needs of the proposed program (see the CBA Dean's letter).*

b. The amount of additional lecture and/or laboratory space required to initiate and to sustain the program over the next five years. Indicate any additional special facilities that will be required. If the space is under construction, what is the projected occupancy date? If the space is planned, indicate campus-wide priority of the facility, capital outlay program priority, and projected date of occupancy.

*No additional lecture or laboratory space is required.  
Existing classrooms, laboratory facilities, and technology are sufficient to initiate and sustain program over next five years.*

c. A report written in consultation with the campus librarian, indicating any additional library resources needed. Indicate the commitment of the campus either to purchase or borrow through interlibrary loan these additional resources.

*Current library resources are considered sufficient.  
Additional resources, if needed, are readily available through interlibrary loans.*

d. Additional academic technology, equipment, or specialized materials that will be (1) needed to implement the program and (2) needed during the first two years after initiation. Indicate the source of funds and priority to secure these resource needs.

*Current technology, equipment, and databases sufficient to implement and sustain program over two years.*