November 29, 2007

MEMORANDUM

TO:        Howard Frank
           Dean, Robert H. Smith School of Business

FROM:      Phyllis Peress
           Associate Provost for Academic Planning and Programs

SUBJECT:   Proposal to modify the curriculum of the B.S. in Finance (PCC log no. 07022)

Your proposal to modify the curriculum of the B.S. in Finance has been administratively approved. A copy of the approved proposal is attached.

The changes are effective Spring, 2008. The College should ensure that the changes are fully described in the Undergraduate Catalog and in all relevant descriptive materials, and that all advisors are informed.

CWR/

Enclosure

cc:        Carmen Balthrop, Chair, Senate PCC Committee
           Sarah Bauder, Office of Student Financial Aid
           Mary Giles, University Senate
           Barbara Hope, Data Administration
           Denise Nadasen, Institutional Research & Planning
           Anne Turkos, Archives
           Linda Yokoi, Office of the Registrar
           Scott Wolpert, Undergraduate Studies
           Brian Horick, Robert H. Smith School of Business
THE UNIVERSITY OF MARYLAND, COLLEGE PARK
PROGRAM/CURRICULUM PROPOSAL

DIRECTIONS:
- Provide one form with original approval signatures in lines 1 - 4 for each proposed action. Keep this form to one page in length.
- Early consultation with the Office of the Associate Provost for Academic Planning & Programs is strongly recommended if there are questions or concerns, particularly with new programs.
- Please submit the signed form to Claudia Rector, Office of the Associate Provost for Academic Planning and Programs, 1119 Main Administration Building, Campus.
- Please email the rest of the proposal as an MSWord attachment to pcc-submissions@umd.edu.

DATE SUBMITTED__August 28, 2007__

COLLEGE/SCHOOL__Robert H. Smith School of Business__

DEPARTMENT/PROGRAM__Finance__

PROPOSED ACTION (A separate form for each) ADD___ DELETE____ CHANGE ___X___

DESCRIPTION (Provide a succinct account of the proposed action. Details should be provided in an attachment. Provide old and new sample programs for curriculum changes.)
Add new Accounting course (BMGT313) as major option, list new special topics number and delete ECON courses from options that are no longer offered by the ECON Dept.

JUSTIFICATION/REASONS/RESOURCES (Briefly explain the reason for the proposed action. Identify the source of new resources that may be required. Details should be provided in an attachment.)
See attached.

APPROVAL SIGNATURES - Please print name, sign, and date
1. Department Committee Chair__Susan White__Susan White 9/24/07
2. Department Chair__ALEX TRIANTIS A.J. Trinks 10/1/07
3. College/School PCC Chair__Martin Grushev__Martin Grushev 10/8/07
4. Dean__
5. Dean of the Graduate School (if required)__
6. Chair, Senate PCC__
7. Chair of Senate__
8. Vice President for Academic Affairs & Provost__Beverly Rees 1/21/07__

VPAAP 8-05
REASONS FOR PROPOSED ACTION
Financial Statement Analysis is one of the most relevant accounting topics for finance majors. Much of finance involves understanding financial statements and often preparing pro forma financial statements. Finance students need to thoroughly understand and be able to interpret a firm's financial statements in order to be able to value that company, determine appropriate financing and capital budgeting decisions, and to assess the financial stability of a firm. As a result, BMGT313 Financial Statement Analysis is a very desirable course for finance majors that will complement many finance electives. Therefore the Finance Department would like to add BMGT313 as one options in its major requirements.

In addition, several ECON courses that appear on the list of options for Finance majors are no longer offered by the ECON Department. Therefore the Finance Department would like to delete these ECON courses as options.

Finally, Finance majors have the option of taking a special topics course in Finance toward their degree. However, the Finance Department recently created a new number for special topics courses, BMGT448. As a result, the Finance Department would like to list that students have the option of completing BMGT448 Special Topics in Finance as one of their major options, replacing the old special topics course number of BMGT498.

DESCRIPTION OF CURRICULUM CHANGE
The Finance curriculum is adding BMGT313 Financial Statement Analysis as one of the options that can be used to fulfill the following major requirements.

All Finance majors must complete one of the following courses:
   BMGT310 Intermediate Accounting I
   BMGT313 Financial Statement Analysis (adding to list of options).
   BMGT332 Operations Research For Management Decisions
   BMGT430 Linear Statistical Models in Business
   BMGT434 Introduction to Optimization Theory

The Finance Department would like to replace BMGT498 (old special topics number) with BMGT448 Special Topics in Finance as one of their major options. See details in the old and new curriculum listed below.

Currently, all Finance majors must complete two upper level Economics courses from the following options.

One course from either ECON330 Money and Banking or ECON431 Theory of Money, Prices and Economic Activity

One of the following courses:
   ECON305 Intermediate Macroeconomic Theory & Policy
   ECON306 Intermediate Microeconomic Theory
   ECON340 International Economics
   ECON402 Macroeconomic Models and Forecasting
   ECON450 Introduction to Public Sector Economics

The following ECON courses are being removed as options because they are no longer being offered by the ECON Department.
   ECON431 Theory of Money, Prices and Economic Activity
   ECON450 Introduction to Public Sector Economics

In addition, ECON402 Macroeconomic Models and Forecasting is being removed as an option because it is now restricted to ECON majors only.
Old Requirements

BMGT343 Investments 3cr
BMGT440 Advanced Financial Management 3cr

Three of the following courses:
BMGT443 Applied Equity Analysis and Portfolio Management 9cr
BMGT444 Futures and Options Contracts
BMGT445 Banking and Financial Institutions
BMGT446 International Finance
BMGT447 Internship and Research in Finance
BMGT498 Special Topics in Business and Management (Finance) (replacing with BMGT448)

One of the following courses: 3cr
BMGT310 Intermediate Accounting I
BMGT332 Operations Research For Management Decisions
BMGT430 Linear Statistical Models in Business
BMGT434 Introduction to Optimization

Total Finance Major Requirements 18cr

Upper Level Economics Requirements
ECON330 Money and Banking 3cr
Or
ECON431 Theory of Money, Prices and Economic Activity (delete as option)

One of the following courses: 3 cr
ECON305 Intermediate Macroeconomic Theory & Policy
ECON306 Intermediate Microeconomic Theory
ECON340 International Economics
ECON402 Macroeconomic Models and Forecasting (delete as option)
ECON450 Introduction to Public Sector Economics (delete as option)

Total Upper Level Economics Requirements 6 cr

New Requirements

BMGT343 Investments 3cr
BMGT440 Advanced Financial Management 3cr

Three of the following courses: 9cr
BMGT443 Applied Equity Analysis and Portfolio Management
BMGT444 Futures and Options Contracts
BMGT445 Banking and Financial Institutions
BMGT446 International Finance
BMGT447 Internship and Research in Finance
BMGT448 Special Topics in Finance (replaces BMGT498)

One of the following courses: 3cr
BMGT310 Intermediate Accounting I
BMGT313 Financial Statement Analysis (add as option)
BMGT332 Operations Research For Management Decisions
BMGT430 Linear Statistical Models in Business
BMGT434 Introduction to Optimization
Total Finance Major Requirements 18cr

**Upper Level Economics Requirements**
ECON 330 Money and Banking 3cr

One of the following courses: 3 cr
- ECON 305 Intermediate Macroeconomic Theory & Policy
- ECON 306 Intermediate Microeconomic Theory
- ECON 340 International Economics

Total Upper Level Economics Requirements 6 cr

**Additional Degree Requirements of the Finance Major**

At the Smith School of Business, a minimum of 120 credit hours is required to complete a Bachelor of Science degree. Besides the major requirements listed above and the specific Smith School of Business requirements listed below, a student must complete the University's CORE General Education Requirements and sufficient lower and upper level elective credit to accumulate a total of 120 credit hours. A minimum of 58 credit hours of the required 120 hours must be in 300-400 (upper) level courses. A detailed explanation including additional Smith School of Business degree requirements are listed below.

**Freshmen/Sophomore Smith School Requirements**

- MATH 220 or 140 - Elem.Calculus I or Calculus I 3-4 cr
- BMGT 220 & 221 - Principles of Accounting I & II 6 cr
- BMGT 230 or 231 - Business Statistics 3 cr
- ECON 200 & 201 - Principles of Micro & Macro Economics 8 cr
- COMM 100, 107 or 200 - Foundations of Speech Communications, Speech Communication, or Critical Thinking and Speaking 3 cr

Total 23-24 cr

**Junior/Senior Smith School Requirements**

- BMGT 301 - Introduction to Information Systems 3 cr
- BMGT 340 - Business Finance 3 cr
- BMGT 350 - Marketing Principles 3 cr
- BMGT 364 - Management and Organization 3 cr
- BMGT 367 - Career Search Strategies and Business 1 cr
- BMGT 380 - Business Law 3 cr
- BMGT 495 - Business Policies 3 cr

Total 19 cr

Finance Major Requirements (details listed previously) 18 cr

Upper Level Economics Requirements (details listed previously) 6 cr

University CORE General Education Requirements not fulfilled by Smith School requirements listed above. - Total Credits 28 cr

Lower Level Electives 16-17 cr
Upper Level Electives 9 cr

**Grand Total Required** 120 cr
Current Catalog Description

Finance encompasses:
(1) Corporate finance: The financial management of corporations
(2) Investments: The management of securities and portfolios
(3) Financial institutions and markets: The management of financial institutions and the study of their role in the economy

The Finance curriculum is designed to familiarize the student with the institutions, theory, and practice involved in the allocation of financial resources within the private sector. It provides an educational foundation for careers involving corporate financial analysis and management, investment analysis and portfolio management, investment banking, risk management, commercial banking, and international finance; it also provides a foundation for graduate study in business administration, economics, and law.

Updated Catalog Description

No change.
## Typical 4 Year Plan

### Year 1, First Term

<table>
<thead>
<tr>
<th>Courses</th>
<th>Credits</th>
</tr>
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<tbody>
<tr>
<td>ENGL101 (if not exempt) or elective</td>
<td>3</td>
</tr>
<tr>
<td>MATH 220 (or as placed)</td>
<td>3</td>
</tr>
<tr>
<td>ECON200</td>
<td>4</td>
</tr>
<tr>
<td>CORE class</td>
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</tr>
<tr>
<td>Lower level elective</td>
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<td><strong>Total Credits</strong></td>
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### Year 1, Second Term

<table>
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<tr>
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<tr>
<td>ECON201</td>
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<tr>
<td>MATH220 (if still needed) or BMGT230</td>
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<tr>
<td>COMM107</td>
<td>3</td>
</tr>
<tr>
<td>CORE</td>
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<td><strong>Total Credits</strong></td>
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### Year 2, First Term

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<tr>
<th>Courses</th>
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<tbody>
<tr>
<td>BMGT220</td>
<td>3</td>
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<tr>
<td>BMGT230 (if still needed) or elective</td>
<td>3</td>
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<tr>
<td>Lower level elective</td>
<td>2</td>
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<tr>
<td>Lower level elective</td>
<td>3</td>
</tr>
<tr>
<td>CORE (Lab Science)</td>
<td>4</td>
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<td><strong>Total Credits</strong></td>
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</table>

### Year 2, Second Term

<table>
<thead>
<tr>
<th>Courses</th>
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</thead>
<tbody>
<tr>
<td>BMGT221</td>
<td>3</td>
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<tr>
<td>CORE</td>
<td>3</td>
</tr>
<tr>
<td>Remaining electives</td>
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<tr>
<td>CORE</td>
<td>3</td>
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<td><strong>Total Credits</strong></td>
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### Year 3, First Term

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<thead>
<tr>
<th>Courses</th>
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<tbody>
<tr>
<td>BMGT340 (College Core)</td>
<td>3</td>
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<td>Upper level elective (1 of 3)</td>
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<tr>
<td>College Core</td>
<td>3</td>
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<tr>
<td>College Core</td>
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<tr>
<td>ECON330</td>
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<td>BMGT367 (College Core)</td>
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<td><strong>Total Credits</strong></td>
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### Year 3, Second Term

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<thead>
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<th>Courses</th>
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<tr>
<td>BMGT343 (Major requirement 1 of 6)</td>
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<td>Upper level elective (2 of 3)</td>
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<tr>
<td>College Core</td>
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<tr>
<td>Advanced Studies Core</td>
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<tr>
<td>One of ECON305/306/340</td>
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<tr>
<td>BMGT367 (if still needed)</td>
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<td><strong>Total Credits</strong></td>
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### Year 4, First Term

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<th>Courses</th>
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<tr>
<td>BMGT440 (Major requirement 2 of 6)</td>
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<td>Major Requirement (3 of 6) from options</td>
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<tr>
<td>College Core</td>
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<td>BMGT 310, 313, 332, 430 or 434 (Major req 4 of 6)</td>
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</tr>
<tr>
<td>Professional Writing</td>
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<tr>
<td><strong>Total Credits</strong></td>
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### Year 4, Second Term

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<thead>
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<th>Courses</th>
<th>Credits</th>
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</thead>
<tbody>
<tr>
<td>BMGT495 (College Core) (340/350/364 prereqs)</td>
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</tr>
<tr>
<td>Major Requirement (5 of 6) from options</td>
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</tr>
<tr>
<td>Upper level elective (3 of 3)</td>
<td>3</td>
</tr>
<tr>
<td>Major Requirement (6 of 6) from options</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total Credits</strong></td>
<td><strong>12</strong></td>
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</table>
Prerequisite/Course Sequencing Structure

BMGT340 (prerequisite BMGT221 and BMGT230)
BMGT343 (prerequisite BMGT340)
BMGT440 (prerequisite BMGT340)
BMGT443 (prerequisite BMGT343)
BMGT444 (prerequisite BMGT343)
BMGT445 (prerequisite BMGT340, recommended ECON330)
BMGT446 (prerequisite BMGT340)
BMGT447 (prerequisite BMGT343 or 400 level Finance course)
BMGT448 (prerequisite depends on the subject)
BMGT310 (prerequisite BMGT221)
BMGT313 (prerequisite BMGT221)
BMGT332 (prerequisite BMGT230 or BMGT231)
BMGT430 (prerequisite BMGT230 or BMGT231)
BMGT434 (prerequisite MATH220 or MATH140; or equivalent. Recommended: MATH221 or MATH141)
ECON305 (prerequisite ECON200, ECON201, and (MATH220 or MATH140)
ECON306 (prerequisite ECON200, ECON201, and (MATH220 or MATH140)
ECON330 (prerequisite ECON200 and ECON201)
ECON430 (prerequisite ECON200 and ECON201)

Course Descriptions

BMGT 310 Intermediate Accounting I (3) Prerequisite: BMGT221. Comprehensive analysis of financial accounting topics related to financial statement preparation and external reporting.

BMGT 332 Operations Research For Management Decisions (3) Prerequisite: BMGT230 or BMGT231; or equivalent. Surveys the philosophy, techniques and applications of operations research to managerial decision-making. Techniques covered include: linear programming, transportation and assignment models, Markov processes and inventory and queuing models. Emphasis is placed on formulating and solving decision problems in the functional areas of management.

BMGT 340 Business Finance (3) Prerequisites: BMGT221; and {BMGT230 or BMGT231}. Topics include: the principles and practices involved in the organization, financing and rehabilitation of business enterprises; the various types of securities and their use in raising funds, apportioning income, risk and control; intercorporate relations; and new developments. Emphasis on solution of problems of financial policy faced by management.

BMGT 343 Investments (3) Prerequisite: BMGT340. An introduction to financial investments. Topics include: securities and securities markets; investment risks, returns and constraints; portfolio policies; and institutional investment policies.

BMGT 430 Linear Statistical Models in Business (3) Prerequisite: BMGT230 or BMGT231 or permission of department. Model building involving an intensive study of the general linear stochastic model and the applications of this model to business problems. The model is derived in matrix form and this form is used to analyze both the regression and ANOVA formulations of the general linear model.

BMGT 434 Introduction to Optimization (3) Prerequisite: MATH220 or MATH140; or equivalent. Recommended: MATH221 or MATH141. For BMGT majors only. Introduces concepts and techniques of operations research to model and solve business decision problems, focusing on optimization and commercially available software tools. Models include linear programming, the transportation and assignment problems, network flow models, and non-linear programming. Emphasis is placed on analyzing business scenarios and formulating associated decision models.

BMGT 440 Advanced Financial Management (3) Prerequisite: BMGT340. Analysis and discussion of cases and readings relating to financial decisions of the firm. The application of finance concepts to the solution of financial problems is emphasized.

BMGT 443 Applied Equity Analysis and Portfolio Management (3) Prerequisite: BMGT343. Study and application of the concepts, methods, models, and empirical findings to the analysis, valuation and selection of securities, especially common stock.

BMGT 444 Futures and Options Contracts (3) Prerequisite: BMGT343. Credit will be granted for only one of the following: BMGT444 and MATH424. The institutional features and economic rationale underlying markets in futures and options. Hedging, speculation, structure of futures prices, interest rate futures, efficiency in futures markets and stock and commodity options.
BMGT 445 Banking and Financial Institutions (3) Prerequisites: BMGT340. Recommended: ECON330. Analysis and discussion of cases and readings in commercial bank management. The loan function is emphasized; also the management of liquidity reserves, investments for income and source of funds. Bank objectives, functions, policies, organization, structure, services and regulation are considered.

BMGT 446 International Finance (3) Prerequisite: BMGT340. Financial management from the perspective of the multinational corporation. Topics covered include the organization and functions of foreign exchange and international capital markets, international capital budgeting, financing foreign trade and designing a global financing strategy. Emphasis of the course is on how to manage exchange and political risks while maximizing benefits from global opportunity sets faced by the firm.

BMGT 447 Internship and Research in Finance (3) Prerequisites: BMGT340 and BMGT343 (or 400 level finance elective); and core requirements in business and management; and permission of department. Recommended: finance major courses. For finance majors only. Supervised, sponsored internship in a corporation or financial institution. Analysis of approved research topic in corporate finance, investments or financial institutions/markets.

BMGT448 Special Topics in Finance (1-3) Selected advanced topics in finance.

ECON 305 Intermediate Macroeconomic Theory and Policy (3) Prerequisites: ECON200; and ECON201; and MATH220. Analysis of the determination of national income, employment, and price levels. Discussion of consumption, investment, inflation, and government fiscal and monetary policy.

ECON 306 Intermediate Microeconomic Theory (3) Prerequisites: ECON200; and ECON201; and MATH220. Analysis of the theories of consumer behavior and of the firm, market systems, distribution theory and the role of externalities.

ECON 330 Money and Banking (3) Prerequisite: ECON200 and ECON201. The structure of financial institutions and their role in the provision of money and near money. Analysis of the Federal Reserve System, the techniques of central banks, and the control of supply of financial assets in stabilization policy. Relationship of money and credit to economic activity and the price level.

ECON 340 International Economics (3) Prerequisite: ECON200 and ECON201. Credit will be granted for only one of the following: ECON340 or ECON441. A description of international trade and the analysis of international transactions, exchange rates, and balance of payments. Analysis of policies of protection, devaluation, and exchange rate stabilization and their consequences.

ECON 402 Macroeconomic Models and Forecasting (3) Prerequisite: ECON305. Analysis of the fluctuations in economic activity and the formulation and use of forecasting models of the economy. Illustrations of computer macro models and forecasting problems.
Program Contact: Michael Cichello
Phone: 5-3142
E-mail: mcichello@rhsmith.umd.edu
Date submitted to Academic Unit Head: September 2, 2005

Program Goals:
Provide students with the required business management skills, the general business knowledge, and the specific knowledge of the field of finance to be future leaders in the knowledge-based “digital” economy.

Relevance of goals to the mission statements and/or strategic plans of the University, College, or Program as applicable:
Important business management skills required to succeed in the knowledge-based economy include critical reasoning, and oral and written communication. These are skills outlined in the University’s learning goals and objectives. The R.H. Smith School’s Vision Statement stresses the importance of training students to be future leaders in the knowledge and information-based, “digital” economy.

<table>
<thead>
<tr>
<th>Student Learning Outcomes</th>
<th>Assessment Measures and Criteria</th>
<th>Assessment Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>(list the three-to-five most important)</td>
<td>(describe one or more measures for each outcome and criteria for success)</td>
<td>(initial year, and subsequent cycle)</td>
</tr>
<tr>
<td>1. Students will be able to demonstrate a clear understanding of important concepts in the core business disciplines and in the specific field of finance.</td>
<td>All Finance (FIN) students registered in BMGT 495, Business Policies (the capstone course for business students) during the semester in which assessments occur, are required to take a two-part test. Part 1 tests their knowledge of core business disciplines while Part 2 tests their knowledge of finance. Eighty percent of students should answer, correctly, 70 percent of the questions in Part 1 of the exam, and 80% of the students should answer, correctly, 70% of the questions in Part 2 of the exam.</td>
<td>Pilot in the Spring semester of 2006, run during school year 2006-2007 and then every third school year subsequently. MBA and Ph.D. students will be assessed in the two other years of the three year cycle.</td>
</tr>
<tr>
<td>2. Students will demonstrate critical reasoning and written communication skills through the individual analysis and write-up of a business case.</td>
<td>All FIN students are required to analyze a business case for BMGT 495 and prepare a written analysis of the case. Eighty percent of students should meet expectations (21</td>
<td>Pilot in the Spring semester of 2006, run in academic year 2006-2007 and then</td>
</tr>
<tr>
<td>3. Students will demonstrate their oral communication skills by presenting an analysis of a business case to their class.</td>
<td>All FIN students are required to make a presentation in BMGT 495 on a business case. Eighty percent of students should meet expectations in an assessment of their oral presentation skills (18 out of 24 available points). See attached Oral Communications grading rubric.</td>
<td>Pilot in the Spring semester of 2006, run in academic year 2006-2007 and then every third school year subsequently.</td>
</tr>
<tr>
<td>4. Students will demonstrate their leadership skills by leading a class discussion on a business case.</td>
<td>After first making a class presentation on a business case, all FIN students are required to lead a class discussion based on the case and the presentation. Eighty percent of students should meet expectations (12 of 18 available points) in an assessment of their skills in leading the class discussion. See attached Leadership grading rubric.</td>
<td>Pilot in the Spring semester of 2006, run in academic year 2006-2007 and then every third school year subsequently.</td>
</tr>
<tr>
<td>5. Students will demonstrate their abilities to work effectively with other members of a team in the preparation of a group project.</td>
<td>All FIN majors are required to participate in the completion of a group project as part of the requirements for BMGT 495. The group generally consists of 4-6 students. The group is required to analyze a business case, a major industry or a market segment. Eighty percent of students should meet expectations (10 of 15 points) in an assessment of their teamwork skills. The assessment will be made by the instructor but will, in part, be based on student evaluation of other team members.</td>
<td>Pilot in the Spring semester of 2006, run in academic year 2006-2007 and then every third school year subsequently.</td>
</tr>
<tr>
<td>members. See attached Teamwork grading rubric.</td>
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