

**Proposed Program:** Bachelor of Science in Finance (54 hours)

**Academic Unit Involved:** School of Business, Department of Economics and Finance

**Degree Designation:** Bachelor of Science (BS)

**Proposed Date of Implementation:** Fall 2013

**CIP Code:** 52.0801

**Program Type:** New

**Site:** College of Charleston campus

**Program qualifies for supplemental Palmetto Fellows Scholarship and LIFE Scholarship Awards:** No

**Delivery Mode:** Traditional

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## **JUSTIFICATION:**

### **A. Statement of the Purposes and Objectives of the Program**

It is the College of Charleston's mission to emphasize undergraduate level instruction to meet the diverse needs of many constituents (e.g. non-profits, corporations, and graduate schools) and to contribute to the personal and professional development of our students. The mission of the School of Business is to create educational experiences that give our students the knowledge and skills needed to be lifelong learners and managers, and to be socially responsible in the global economy. The proposed undergraduate Finance major supports the missions of both the College of Charleston and the School of Business.

At most business schools, Finance is a critical component of the core curriculum that is deemed essential at the introductory level for all business students. This core curriculum is designed to further students' professional and personal growth. It is rare for a highly-respected AACSB business program not to offer a Finance Major. Thus, including a Finance Major in the curriculum would strengthen the reputation and quality of the School of Business and place us on par with AACSB peer and aspirant schools.

Our business school students come from small, rural areas in South Carolina and from major cities such as New York and Chicago. From May 2003 through December 2009, approximately 10.42% percent of the students graduating with a degree from the School of Business seek a concentration or minor in Finance. Many of these students complete internships in finance-related jobs at such entities as the FDIC, UBS, SunTrust Bank, ATD, GEICO, Wells Fargo, Bank of America, or any number of real estate firms. Alternatively, many choose to pursue Master of Finance or Master of Business Administration degrees at other academic institutions.

The current Finance curriculum is insufficient to prepare students for either prestigious graduate schools or entry level finance positions. A major goal of the Achool of Business is to increase job placement in each discipline. The proposed major requires that students take classes in the fundamental areas of finance (corporate, investments, and institutions), as well as integrate advanced financial concepts with theories from other business courses in the capstone course on valuation. Similar to other AACSB universities, the students will also be required to cover the core business courses. Judicious choice of their three finance electives can allow students to specialize in one of four tracks, although such specialization is not required. The tracks would be corporate finance, investments, financial services, or real estate; more information on the tracks is provided in the Curriculum section.

To increase the added value of a College of Charleston Finance Major with respect to obtaining employment, we intend to strongly encourage the students in our classes to attend non-credit professional seminars and study for various professional certifications. Our goal will be to have the finance professors begin the certification processes for selected professional certifications immediately. When our professors have these certifications, the School of Business can create professional development seminars that will assist members of the community with obtaining these certifications on a revenue-generating basis.

### *Program Objectives*

The objective of the program is to combine the distinctive liberal arts core curriculum offered at the College of Charleston with a Finance Major curriculum similar to AACSB-accredited peer and aspirant schools. This paradigm will enable students to combine challenging theoretical analysis with practical knowledge and experience.

1. To provide a high quality program to students from South Carolina and across the nation.
2. To prepare students for a computationally sophisticated workforce.
3. To provide students with the social, ethical, and global aspects of finance.
4. To discuss how professionals should act responsibly and with professional ethics in the field of finance.
5. To develop and apply oral and written communication skills in finance.
6. To provide an international experience option for students in the program
7. To prepare students for graduate work in accounting, finance, business, and other areas.
8. To encourage students to obtain a professional certification subsequent to graduation.
9. To train students to think critically and design innovative financial solutions.

### B. Program Need and Significance

#### *Regional Need*

There is a very clear regional need for a Finance major. Students from the Low Country currently wishing to pursue a Finance major have Coastal Carolina University or the University of South Carolina – Columbia as their nearest options. There are no programs closer to Charleston that offer a Finance major or even a Finance concentration, other than the College of Charleston. The wide array of careers include areas such as planning, budgeting, raising funds, investment strategy, valuation and cost control. The finance major is needed to make students well-rounded with respect to quantitative, strategic, communication, and critical decision-making skills.

Several of the graduates have received offers in the field of corporate finance, financial institutions, wealth management and insurance. The list of firms includes: Boeing Pricing and Estimates, New York Life Life Insurance Agent, ATD Trader, Wells Fargo Restructuring, Gildan Pricing and Budgeting, SIB Cost Analyst, FDIC Examiner, Federal Reserve Bank Analyst, Cintas, Ernst & Young Auditor, GE Energy FMP, Royal Bank of Scotland Operations Analyst, Jackson Financial Analyst and other firms. Many of these firms have told the faculty in the Department of Economics and Finance that the students need additional course work in advanced financial modeling, risk analysis, econometrics, advanced investment analysis and other courses. They have told us that a finance major with an internship and licensure focus will increase the employment opportunities for the School of Business students at the College of Charleston.

### *Student Interest*

Due to the rapid growth in the field of finance, it is likely that many students can be recruited over the next five-year period. We anticipate an approximate initial enrollment of 77 students, growing to approximately 90 students in year two, approximately 105 students in year three, and approximately 113 students in year four. In year five, we anticipate an enrollment of approximately 122 majors, which should be fairly representative of the steady-state size of the program. Based on extensive analysis of enrollment over the past five years, it is evident that many of our students already have a strong interest in finance courses and a Finance Major. Out of the 953 business school students, the Total Declared Finance Concentrations (61)/Minors (37) as of 4/10/2009 represent 10.28% of the population. The 98 finance concentrations/minors are comparable to the 98 economics majors, 120 accounting majors, 118 hospitality majors, and 120 international business majors. Consequently, we expect enrollment in a Finance Major to be initially high.

Also, 33 students have stated their intention to be a concentration in finance out of 462 intended business administration majors (7.14%). This is a high percentage given that most underclassmen do not declare a finance concentration as a business administration major prior to their junior year. The breakdown of intended minors is from accounting (2) and economics (2) majors.

#### C. Centrality to the Mission of the College of Charleston and the School of Business

The proposed major in Finance will support the mission of the College of Charleston in many ways. The College offers “superior quality undergraduate problems” that “provide educational opportunities to students from South Carolina, throughout the U.S. and elsewhere in the world.” The proposed major is designed with these goals in mind. The majority of highly respected business schools around the country offer a Finance major, due to increased interest in the knowledge that can be obtained throughout the program. One of the College’s core values is a “dedication to a liberal arts and science education that encourages intellectual curiosity and fosters each student’s ability to think creatively and analyze, synthesize, apply, and communicate knowledge from many sources.” The proposed major in Finance will incorporate all of these beliefs. The courses are intended to challenge the student on personal and professional levels, while providing a fertile environment for self-development.

#### D. Relationship to Other Programs at the College of Charleston

There are many existing relationships within the School of Business, which can be seen by the breakdown of the finance concentration/minor by department for Fall 2008 as follows: 1) 26 majors out of 98 economics major are declared finance minors (26.53%); 2) 61 business administration majors out of 497 are declared finance concentrations (12.27%); 3) 4 accounting majors out of 120 are declared finance minors (0.03%); 0 hospitality management majors are declared minors; 2 international business majors are declared minors; and 1 math major has a finance minor.

The proposed Finance major will emphasize the opportunity to take courses from Economics, Accounting, and Mathematics. The discipline of Finance is designed to facilitate

application of Economic theory, as well as implementation of Accounting information and Mathematical tools and techniques. As such, Finance is truly interdisciplinary, and the proposed major will allow the student the option of learning from several areas within the College of Charleston.

The Department of Economics and Finance will house the proposed major. Several Economics courses will count towards the FINC major, which has the support of the Economics faculty. The Accounting, Mathematics, and Management and Entrepreneurship departments also offer courses that will count as approved electives within the FINC major. Letters of acknowledgement from each affected department have been obtained and are available upon request.

Since the proposed major utilizes some courses from other departments, it is possible for a course to count for both the Finance major and an existing major. In particular, the existing Business Administration Major currently requires FINC 303 as part of the core business curriculum. In addition, students obtaining a Business Administration major are required to take four upper-level business electives. All of the upper-level courses offered as part of the proposed Finance major would count as upper-level business electives for the Business Administration major as well. In the same way, four Economics classes would count towards both majors, as would two Accounting classes.

#### E. Relationship to Other Programs in South Carolina and Regional and National Aspirant Schools

The peer schools used for comparison consist of the responding peer institutions identified by the 2007-2008 College of Charleston Faculty Compensation Committee, along with all public, four-year colleges and universities in South Carolina. Of the 20 peer institutions examined, 10 of them offer a Finance major, 4 offer a Business Administration major with one or more Finance concentrations, 1 offers a Business Administration major with an Economics/Finance concentration, 2 offer Business Administration majors with no Finance concentration, 1 offers an Economics major with a Monetary Economics/Finance concentration, and 2 do not offer any comparable programs at all.

Of the 20 peer schools examined, 19 of them offer one or more Corporate Finance courses. In fact, 19 offer at least one Corporate Finance course, 16 offer at least two courses, 12 offer at least three courses, and 3 offer four Corporate Finance courses. These counts exclude similar courses for non-Business or non-Finance majors, financial statement analysis courses, courses on closely-held firm valuation, and financial information systems courses. In other words, as closely as possible, these counts represent “traditional” Corporate Finance coursework.

Of the 20 peer institutions, 17 of them offer at least one Investments course, 11 offer at least two Investments courses, 7 offer at least three Investments courses, and 3 programs offer four or more Investments courses. These counts exclude student trading courses, real estate investment courses, and math-oriented investment courses. That is, according to their catalog descriptions, these courses cover the “core” areas of investments: equities, fixed income, derivatives, and portfolio management.

Of the 20 peer schools examined, 16 of them offer at least one Money and Banking course (two programs offer two such courses). These courses are sometimes offered as a Finance course, sometimes as an Economics course, and sometimes they are cross-listed as both. When offered as a Finance course, this type of course is often titled Financial Markets and Institutions, or some close variant.

Of the 20 peers, 14 of them offer an International Financial Management course and 11 of them offer a Principles of Real Estate course. Financial Institution Management, Personal Finance, and Finance Internship courses are offered by 10 of the 20 peers. The current course offerings at the College of Charleston include each of these commonly-offered courses.

## **ENROLLMENT:**

### **A. Admission Policy**

There are no separate admissions criteria for the Finance Major beyond the admissions criteria for the School of Business. We are dedicated to creating and facilitating educational experiences that provide our students with the knowledge and skills necessary to be lifelong learners and managers, and to be socially responsible in the global economy. The overall learning goals for our School of Business are as follows:

- **COMMUNICATION SKILLS:** Students will demonstrate the ability, via both written and spoken word, to effectively present, critique, and defend ideas in a cogent, persuasive manner.
- **QUANTITATIVE FLUENCY:** Students will demonstrate competency in logical reasoning and data analysis skills.
- **GLOBAL AND CIVIC RESPONSIBILITY:** Students will be able to identify and define social, ethical, environmental and economic challenges at local, national and international levels. Students will also be able to integrate knowledge and skills in addressing these issues.
- **INTELLECTUAL INNOVATION AND CREATIVITY:** Students will be able to demonstrate their resourcefulness and originality in addressing extemporaneous problems.
- **SYNTHESIS:** Students will be able to integrate knowledge from multiple disciplines incorporating learning from both classroom and non-classroom settings in the completion of complex and comprehensive tasks.

### **B. Projected Enrollments**

Table 1 “Projected Total Enrollment” over five years should enumerate all students, including those who are already enrolled at the College, those who transfer into the new program from other majors, and those who are new to the institution and to the program.

<b>Table 1. PROJECTED TOTAL ENROLLMENT/SCH in MAJOR ONLY</b>
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Year	Headcount	Hours required by the major annually	# of sections needed (average section size of 30)	Faculty required annually
2013 – 14	77	1232	14	2.3
2014 – 15	90	1440	16	2.7
2015 – 16	105	1680	19	3.1 <sup>^</sup>
2016 – 17	113	1808	20	3.3
2017 – 18	122	1952	22	3.6

The proposed program is expected to have an approximate initial enrollment of 77 students, growing to approximately 90 students in year two, approximately 105 students in year three, and approximately 113 students in year four. In year five, we anticipate an enrollment of approximately 122 students (major headcount), which should fairly accurately estimate the equilibrium size of the program. The potential for greater numbers exists because of the accessibility of the curriculum to more students who currently elect a major in business, but this number is set somewhat conservatively at slightly less than the total number of current FINC concentrators and FINC minors. The projected total enrollment includes existing students (from business) and new students attracted into the program (from transfers and new freshmen).

Table 2 “Estimated New Enrollment” differs from Table 3 in that enrollments projected represent only new enrollments to the College as opposed to students enrolled in other programs who change their major. Table 2 should be used to estimate new costs and revenues attributed to the proposed program below.

<b>Table 2. ESTIMATED NEW ENROLLMENT</b>						
YEAR	FALL		SPRING		SUMMER	
	Headcount	Credit Hours	Headcount	Credit Hours	Headcount	Credit Hours
2013 – 14	7	105	7	105	0	0
2014 – 15	13	195	13	195	0	0
2015 – 16	20	300	20	300	0	0
2016 – 17	20	300	20	300	0	0

2017 – 18	20	300	20	300	0	0
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## CURRICULUM:

The Bachelor of Science in Finance will require completion of 30 hours in the core business curriculum, 15 hours in the core finance curriculum, and an additional 9 hours of approved electives. The complete curriculum is included as Table 5 below. Table 6 provides suggested course sequences for the various tracks available. These tracks will not appear in the catalog since they are for advising purposes only, but the tracks will assist students with getting accepted into graduate school and into their chosen careers.

For example, the corporate finance track prepares student for analyst and positions with corporate treasury and the controller's departments. Business leaders in these organizations want students to focus on problem solving and the related tools for investment, capital budgeting, budget analysis and valuation. The finance major allows students to take upper level classes in mathematics, economics and accounting as part of the complement of finance electives. These types of courses will help students better understand the finance theory in the advanced finance courses. The mathematics courses will enable students to obtain jobs that require solving equations in complex financial markets. The accounting classes will enable students to obtain positions in accounting and finance firms. Many of these firms require Intermediate Accounting I and II as a minimum requirement for applying for an analyst or lender position. The advanced economics courses allow students to relate resource allocation decisions to budgets and financial performance. In addition, the advanced financial modeling course gives students computer and analytical skills using practical applications.

<b>Table 3</b>			
<b>Courses and Requirements to Complete FINC Major</b>			
Course Number	Course Title	Hrs.	Prerequisite(s)
General Education Requirements: 48 Hours			
ENGL 110		4	
HIST 115/JWST 210 & HIST 116/JWST 215		6	
Natural Science w/Lab		8	
MATH 120 (or 105) & 250 (or 104) <sup>1,2</sup>		6	
Social Sciences (ECON 200 & 201)		(6)	
Humanities <sup>3</sup>		12	
Foreign Language		12	
General Electives: 20 Hours			
Business Core Requirements: 30 Hours			



ECON 200	Principles of Microeconomics <sup>2</sup>	3	
ECON 201	Principles of Macroeconomics <sup>2</sup>	3	ECON 200
ACCT 203	Financial Accounting <sup>2</sup>	3	So.
ACCT 204	Managerial Accounting <sup>2</sup>	3	ACCT 203, So.
DSCI 232	Business Statistics <sup>2</sup>	3	MATH 104 or 250
DSCI 304	Production and Operations Management	3	DSCI 232, MGMT 301, Jr.
BLAW 205	Legal Environment of Business	3	So.
MGMT 301	Management and Organizational Behavior	3	Jr.
MKTG 302	Marketing Concepts	3	ECON 201, Jr.
FINC 303	Business Finance	3	ACCT 204, ECON 201, DSCI 232, Jr.
Finance Core Requirements: 15 Hours			
FINC 313 <sup>#</sup>	Financial Markets and Institutions <sup>#</sup>	3	FINC 303, Jr.
FINC 315	Intermediate Business Finance	3	FINC 303, Jr.
FINC 389*	Financial Management Information Systems*	3	FINC 303, Jr.
FINC 400	Investment Analysis	3	FINC 303, Jr.
FINC 418*	Advanced Valuation and Corporate Financial Analysis*	3	FINC 303, FINC 313, FINC 315, FINC 400, Sr.
Approved Electives: 9 Hours <sup>4</sup>			
Any FINC course at the 300- or 400-level.			
ECON 305	Money and Financial Institutions	3	ECON 201, MATH 105 or 120, Jr.
ECON 317	Microeconomic Analysis	3	ECON 201, MATH 105 or 120, Jr.
ECON 318	Macroeconomic Analysis	3	ECON 201, MATH 105 or 120, Jr.
ECON 419	Intro to Econometrics and Forecasting	3	ECON 201, DSCI 232, Jr.
REAL 310	Principles of Real Estate	3	Jr.
REAL 376	Real Estate Market Analysis	3	FINC 303, Jr.
REAL 380	Real Estate Investment Analysis	3	FINC 303, REAL 310, Jr.
REAL 410	Real Estate Finance	3	FINC 303, REAL 310, Jr.
ENTR 335	Financing New Ventures	3	ENTR 320, ENTR 321
ACCT 316	Intermediate Accounting I	3	ACCT 204, Jr.
ACCT 317	Intermediate Accounting II	3	ACCT 316, Jr.
MATH 220	Calculus II	4	MATH 120
MATH 203	Linear Algebra	3	MATH 104 and 105 or equivalent
Approved Business Travel Study Course		3	
<sup>1</sup> MATH 104 (or 250) and MATH 105 (or 120) are required for admission to the School of Business. MATH 120 and 250 are STRONGLY recommended for students pursuing a major in finance. For students wishing to take upper-level investments courses (i.e. FINC			

401 and FINC 402), MATH 120 is required.
<sup>2</sup> The School of Business requires a grade of C- or better in the following courses: MATH 120 (or 105), MATH 250 (or 104), ECON 200 & 201, ACCT 203 & 204, and DSCI 232.
<sup>3</sup> The School of Business recommends PHIL 175 – Business and Consumer Ethics as one of the Humanities requirements.
<sup>4</sup> No more than 6 non-FINC hours, except for students pursuing the real estate track. No more than 6 hours from any combination of FINC 399, FINC 420, FINC 444, and FINC 499.
* represents a new class that has been approved
# represents a change to an existing course

<b>Table 4</b>				
<b>Typical Course Sequence for FINC Major</b>				
Freshman Year				
Fall			Spring	
Course	Hours		Course	Hours
ENGL 110	4		MATH 120 (105)	3
HIST 101 (103)	3		HIST 102 (104)	3
Natural Science	4		Natural Science	4
Humanities	3		Humanities	3
Foreign Language	3		Foreign Language	3
Total Hours	17		Total Hours	16
Sophomore Year				
Fall			Spring	
Course	Hours		Course	Hours
MATH 250 (104)	3		DSCI 232	3
ECON 200	3		ECON 201	3
ACCT 203	3		ACCT 204	3
Humanities <sup>2</sup>	3		BLAW 205	3
Foreign Language	3		Foreign Language	3
Total Hours	15		Total Hours	15
Junior Year				
Fall			Spring	
Course	Hours		Course	Hours
DSCI 304	3		MGMT 301	3
FINC 303	3		MKTG 302	3
Humanities	3		FINC 313 <sup>#</sup>	3
Free Elective <sup>1</sup>	3		FINC 315	3
Free Elective	3		FINC 400	3
Total Hours	15		Total Hours	15

Senior Year – General Finance Track				
Fall			Spring	
Course	Hours		Course	Hours
FINC 389*	3		FINC 418*	3
FINC Elective	3		FINC Elective	3
Free Elective	3		FINC Elective	3
Free Elective	3		Free Elective	3
Free Elective	3		Free Elective	3
Total Hours	15		Total Hours	15
Senior Year – Corporate Finance Track				
Fall			Spring	
Course	Hours		Course	Hours
ACCT 316	3		ACCT 317	3
FINC 389*	3		FINC 418*	3
FINC 415*	3		Free Elective	3
Free Elective	3		Free Elective	3
Free Elective	3		Free Elective	3
Total Hours	15		Total Hours	15
Senior Year – Investments Track <sup>2</sup>				
Fall			Spring	
Course	Hours		Course	Hours
FINC 389*	3		FINC 402*	3
FINC 401*	3		FINC 418*	3
Humanities <sup>2</sup>	3		Free Elective	3
Free Elective	3		Free Elective	3
Free Elective	3		Free Elective	3
Total Hours	15		Total Hours	15
Senior Year – Financial Services Track				
Fall			Spring	
Course	Hours		Course	Hours
FINC 385 <sup>#</sup>	3		FINC 386 <sup>#</sup>	3
FINC 389*	3		FINC 418*	3
REAL 310	3		Free Elective	3
Free Elective	3		Free Elective	3
Free Elective	3		Free Elective	3
Total Hours	15		Total Hours	15
Senior Year – Real Estate Track				
Fall			Spring	
Course	Hours		Course	Hours
FINC 389*	3		FINC 418*	3
REAL 380	3		REAL 410	3

Free Elective	3		Free Elective	3
Free Elective	3		Free Elective	3
Free Elective	3		Free Elective	3
Total Hours	15		Total Hours	15
<sup>1</sup> REAL 310 should be taken in place of this free elective for students pursuing the real estate track; the free elective should be taken in the fall of the senior year.				
<sup>2</sup> For students pursuing the investments track, MATH 220 should replace the General Education Humanities requirement from the fall of the sophomore year. This Humanities requirement should be taken in the fall of the senior year instead.				
* represents a new class that has been approved.				
# represents a change to an existing course				

### Assessing Student Learning Outcomes

<b>Program-Level Student Learning Outcomes</b> What will students know and be able to do when they complete the major? Attach Curriculum Map.	<b>Assessment Method and Performance Expected</b> How will each outcome be measured? Who will be assessed, when, and how often? How well should students be able to do on the assessment?
1. Students will demonstrate effective writing ability through the development of cogently written business financial plans and financial reports presenting the results of financial analysis and problem solving. Students will demonstrate verbal and non-verbal ability by presenting business financial plans and financial reports to fellow students and instructors.	A full written business plan with report will be assessed by the instructor in FINC 418 in accordance with project rubrics. Students will present their business plans and reports in class and be assessed by the instructor in FINC 418 and FINC 389 in accordance with project rubrics.
2. Students will demonstrate the ability to analyze real-world financial statements, apply valuation techniques, and apply forecasting techniques to valuation mechanisms. Students will demonstrate the ability to apply technology and, specifically, statistical analysis software to solve financial problems including, but not limited to, financial analysis, portfolio analysis, and valuation.	Critical analysis of existing financial statements and development of pro-forma financial statements will be assessed by the instructor in FINC 382 and FINC 418 in accordance with project rubrics. Financial analysis, portfolio optimization, and portfolio analysis projects will use Microsoft Excel and be assessed by the instructor in FINC 313, FINC 389, FINC 400, and FINC 418 in accordance with project rubrics.
3. Students will demonstrate the ability to effectively communicate and discuss ethical issues related to finance, financial markets, and financial globalization through written papers.	In-depth analysis and report of a non-US economy will be assessed by the instructor in FINC 418 in accordance with the IFRS Paper rubrics
4. Students will demonstrate knowledge, resourcefulness, and creativity in solving financial problems and discussing the solutions to unsolved problems in the arena of finance.	The concepts will be assessed by the instructor in FINC 315, FINC 313, and FINC 418 in accordance with project rubrics.
5. Students will efficiently synthesis principles of accounting, finance, management, marketing, and economics to produce a final analysis of a real corporation to be presented to students and faculty.	Synthesis of business concepts will be assessed by the instructor in FINC 418 in accordance with project rubrics.
<b>Additional Outcomes or Comments:</b>	

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*Description of New FINC courses*

**FINC 389 – Financial Management Information Systems**

Introduction to the components of, and design techniques for, computerized management information systems and decision support systems, with a particular emphasis on financial decision making. Financial applications of emerging information technologies and ethical implications of increasing reliance on information technology in finance will also be addressed.

**FINC 401 – Fixed Income Investment Analysis**

Detailed consideration of bond valuation, bond portfolio management, mathematics of bond yields and duration, and the interest rate environment. Consideration is also given to overall securities portfolio management and techniques with a focus on bond allocation as a necessary diversification strategy.

**FINC 402 – Derivative Securities**

This course covers the quantitative underpinnings of derivative design and valuation, particularly options, forwards, and futures. Specific course coverage includes the study of option pricing theory and strategies most commonly used in the market for options. Particular focus will be given to portfolio and risk management.

**FINC 415 – Advanced Business Finance**

Study of the decision process and analytical techniques used in evaluating corporate investment and financing decisions. Use of appropriate financial software is required, and pertinent corporate finance teaching cases are used as an instructional tool. Topics include working capital management, mergers and acquisitions, bankruptcy and reorganization, lease analysis, financial management in the non-profit sector, and real options.

**FINC 418 – Advanced Valuation and Corporate Financial Analysis**

This course serves as a synthesis of material taught in previous courses for finance majors. The material drawn from, and built upon, includes topics covered in the areas of investments, institutions, and corporate finance. The tool used to integrate these areas of study is advanced valuation methodology for estimating intrinsic value of firm assets and equity, which necessitates an understanding of the three major areas of finance.

**FACULTY:**

The roster faculty listed below are all highly qualified in their fields, as evidenced by the 45 peer-reviewed published works during the Fall 2004 – Spring 2009 period. The existing faculty can initially cover the program.

List Participating Faculty by Name and Rank	Highest Degree Earned	Field of Study	Teaching in Field (Yes/No)
Professor #1	Ph.D.	Finance	Yes
Associate Professor #1	Ph.D.	Finance	Yes
Assistant Professor #1	Ph.D.	Finance/Real Estate	Yes
Assistant Professor #2	Ph.D.	Finance	Yes
Assistant Professor #3	Ph.D.	Finance	Yes
Assistant Professor #4	Ph.D.	Finance	Yes

UNIT ADMINISTRATION/FACULTY/STAFF SUPPORT						
YEAR	NEW		EXISTING		TOTAL	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
<b>Administration</b>						
2012 – 13			1	0.10	1	0.10
2013 – 14			1	0.10	1	0.10
2014 – 15			1	0.10	1	0.10
2015 – 16			1	0.10	1	0.10
2016 – 17			1	0.10	1	0.10
<b>Faculty</b>						

2012 – 13			6	4.00	6	4.00
2013 – 14			6	4.00	6	4.00
2014 – 15			6	4.00	6	4.00
2015 – 16	1	0.75	7	4.75	7	4.75
2016 – 17			7	4.75	7	4.75
<b>Staff</b>						
2012 – 13			1	0.50	1	0.50
2013 – 14			1	0.50	1	0.50
2014 – 15			1	0.50	1	0.50
2015 – 16			1	0.50	1	0.50
2016 – 17			1	0.50	1	0.50

### **PHYSICAL PLANT:**

We do not anticipate any new space requirements or necessary modifications to existing facilities as a result of the new program, since we are only offering a very few new courses in any given semester. That is, existing facilities can be used to accommodate teaching and research requirements for the new program for the foreseeable future.

### **EQUIPMENT:**

There is no equipment needed that is unique to the proposed program.

### **LIBRARY RESOURCES:**

The College Of Charleston Addlestone Library Staff was contacted, and a quantitative comparison of the College's current holdings with a standard guide in relationship to the proposed finance major was requested. The standard guide utilized was the standard of the Association of College and Research Libraries. According to the information provided by the Library Staff, the College of Charleston provides 127% of the minimum books and 214% of the minimum volumes required by ACRL standards. While these numbers are for the overall collection, a brief survey of the finance faculty revealed no obvious gaps in the library's holdings related to finance. Thus, we have no reason to think that some close approximation of these overall percentages does not apply to finance as well.

Given that the proposed program is simply a relatively small expansion of a program that has existed for a number of years now, the current holdings of the library with regard to finance and economics print resources, electronic resources, and databases are sufficient to support the proposed new program. Also, given that the library's current holdings with regard to finance and economics print resources, electronic resources, and databases are sufficient to support the proposed new program, and barring any unforeseen, astounding growth in the finance major, necessary annual acquisitions are expected to be virtually nonexistent.

## **ACCREDITATION AND LICENSURE:**

### *Accreditation*

The proposed program is subject to accreditation by the Southern Association of Colleges and Schools (SACS) and by the Association to Advance Collegiate Schools of Business (AACSB). The information regarding the SACS re-accreditation process is summarized from their website ([www.sacs.org](http://www.sacs.org)). The SACS re-accreditation process starts with a Compliance Certification document submitted by the institution demonstrating compliance with the Core Requirements, Comprehensive Standards, and Federal Regulations outlined in the SACS *Principles of Accreditation* handbook. The institution must also develop a Quality Enhancement Plan (QEP) that describes a specific course of action to address one or more well-defined issues related to improving student learning. A SACS committee examines the documents and recommends areas of interest to the on-site review team, who then spend three days examining data and conducting interviews to determine the soundness of the QEP and the level of compliance of the institution with the Principles of Accreditation. The review team drafts a preliminary report and presents their findings to the appropriate administrators before leaving. The final report of the review team and the institution's response are reviewed by the Committee on Compliance and Reports, who makes a recommendation to the Executive Council of the Commission, who then makes a recommendation to the Commission on Colleges.

The following information about the AACSB accreditation process is summarized from their website ([www.aacsb.edu](http://www.aacsb.edu)); information on the re-accreditation process is not readily available, so the initial process is discussed. The accreditation process starts when the school becomes a member of AACSB International and submits an Eligibility Application. The PreAccreditation Committee appoints a mentor and provides direction to the mentor regarding possible areas of concern based on the Eligibility Application. The mentor visits the school to help respond to concerns raised by the Eligibility Application and to analyze how the school satisfies each AACSB standard, which will be used to help the school prepare an Accreditation Plan. The Accreditation Coordinating Committee reviews the revised Eligibility Application and rules on any remaining eligibility issues, at which time the mentor can help the school finalize the Strategic Plan containing the Accreditation Plan. The PreAccreditation Committee either approves the Accreditation Plan or suggests changes to be made before approval; once that approval is obtained, the Accreditation Plan is sent to the Initial Accreditation Committee, who either approves the plan or suggests changes that again must be made before approval. Accreditation must be obtained within five years of plan acceptance by the Initial Accreditation Committee, the school can continue to work with their mentor for another three years, and annual reports to AACSB detail progress toward, or delays in, achieving accreditation. Two



years before the accreditation site visit, a Peer Review Team chair is appointed by AACSB to monitor progress over the last two years of the Accreditation Plan and to help the school prepare a Self-Evaluation Report. The remaining Peer Review Team members are appointed, asked to review the Self-Evaluation Report, and sent to conduct the site visit. After the site visit, the Peer Review Team provides a report to the school and the Initial Accreditation Committee with a recommendation regarding accreditation. As long as the Initial Accreditation Committee agrees with the team's recommendation, the decision is sent to the AACSB Board for final approval.

Since the College of Charleston is already accredited by SACS and the School of Business is already accredited by AACSB, the proposed program would be covered under these existing accreditations. Obviously, the proposed program would be a part of future re-accreditation reviews, but no immediate action is necessary with regard to accreditation, as such accreditation already is in place.

### *Licensure*

Certifications and licensures are an important part of the student's resume that will make them attractive to corporations advertising for entry level finance positions. For example, the Certified Financial Analyst license is being recommended by banks, wealth management firms and other corporations. In fact, many licensures will make the students comparable to an individual with a graduate degree in finance. This statement has been corroborated by the professionals in the finance community that serve on the School of Business Board of Governors.

In the department of economics and finance, the faculty has no obligatory certifications or licensures required for graduates of a baccalaureate degree program in finance. The faculty, however, strongly recommend that students obtain a certificate or licensure prior to and after graduation. Several of the more popular voluntary certifications and licensures are available. A brief description of some is described below. Again, depending on the certification to be sought after graduation, students could tailor their course selections to aid them in achieving that goal.

<b>Certification</b>	<b>Most Applicable To</b>	<b>Process</b>
Association of Finance and Insurance Professionals (AFIP) certified	Vehicle Lending	1 exam, periodic CE exams
Certified Financial Planner (CFP)	Personal Financial Advisor	Bachelor's Degree, 1 exam, 3 years of work experience, and 30 hours of CE every 2 years
Certified Investment Management Analyst (CIMA)	Institutional Money Management or Personal Financial Planning	1 graduate-like course, 2 exams, 3 years of work experience, and 40 hours of CE every 2 years
Certified Private Wealth Advisor (CPWA)	High Net Worth Personal Financial Planning	Bachelor's Degree or appropriate specified designation, 1 graduate-like course, 1 exam, 5 years work experience, references, and 40 hours CE every 2 years
Chartered Financial Analyst (CFA)	Institutional Money Management or Stock Analysis	Bachelor's Degree or equivalent work experience, 3 exams spread over at least a 2.5-year period, 3 years of work experience

**ARTICULATION:**

The Statewide Articulation Agreement requires that state four-year institutions provide the full agreement along with substantial supporting information on the institution’s website, including a list of courses approved for transfer from two-year institutions and their institutional equivalents. According to that information, with careful course selection, a transfer student entering from a two-year institution can have all general education and lower-level business courses accounted for, with the exceptions of MATH 250 (should they choose this option) and DSCI 232. Also, the grade in all courses must be a C- or better. The table below outlines a typical course sequence for a student transferring to the College of Charleston as a finance major from a two-year institution in South Carolina. Notice that the total hours sum to 125, but would show on the College of Charleston transcript as 123 due to the aforementioned 60 hour limit on transfer credit from a two-year institution.

<b>Typical Course Sequence for FINC Major Transferring from a State Two-Year Institution</b>				
Freshman Year				
Fall			Spring	
Course	Hours		Course	Hours
ENG 101	3		ENG 102	3
HIS 101 (104)	3		HIS 102 (105)	3
Natural Science	4		Natural Science	4
MAT 120	3		Humanities	3
Foreign Language	3		Foreign Language	3
Total Hours	16		Total Hours	16
Sophomore Year				
Fall			Spring	
Course	Hours		Course	Hours
ECO 211	3		ECO 210	3
ACC 101	3		ACC 102	3
MAT 130 or 140	3		BUS 121	3
Humanities	3		Humanities	3
Humanities	3		Foreign Language	3
Foreign Language	3			
Total Hours	18		Total Hours	15
Junior Year				
Fall			Spring	
Course	Hours		Course	Hours
DSCI 232	3		DSCI 300	3
ECON 305	3		DSCI 304	3
MGMT 301	3		FINC 303	3
MKTG 302	3		Free Elective	3
Free Elective	3		Free Elective	3
Total Hours	15		Total Hours	15

Senior Year				
Fall			Spring	
Course	Hours		Course	Hours
FINC 315	3		MGMT 408	3
FINC 400	3		FINC 410	3
FINC Elective	3		FINC Elective	3
FINC Elective	3		FINC Elective	3
Free Elective	3		Free Elective	3
Total Hours	15		Total Hours	15

**ESTIMATED COSTS:**

<b>Table 5 ESTIMATED COSTS BY YEAR</b>						
<b>CATEGORY</b>	<b>1<sup>st</sup></b>	<b>2<sup>nd</sup></b>	<b>3<sup>rd</sup></b>	<b>4<sup>th</sup></b>	<b>5<sup>th</sup></b>	<b>TOTALS</b>
Program Administration(.10 FTE of chair)	\$14,300	\$14,300	\$14,300	\$14,300	\$14,300	\$71,500
Faculty Salaries (\$110,000+ 30% benefits representing average cost for existing and newly hired faculty)	\$328,900	\$386,100	\$443,300	\$471,900	\$514,800	\$2,145,000
Graduate Assistants	0	0	0	0	0	0
Clerical/Support Personnel	\$10,075	\$10,075	\$10,075	\$10,075	\$10,075	\$50,375
Supplies and Materials	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$12,500
Library Resources	0	0	0	0	0	0
Equipment	0	0	0	0	0	0
Facilities	0	0	0	0	0	0
Other (Operating)	0	0	0	0	0	0
<b>TOTALS</b>	<b>\$355,775</b>	<b>\$412,975</b>	<b>\$470,175</b>	<b>\$498,775</b>	<b>\$541,675</b>	<b>\$2,279,375</b>
<b>SOURCES OF FINANCING BY YEAR</b>						

Estimated FTE Revenue* (Please see comment below)	\$138,257	\$164,465	\$214,175	\$245,725	\$262,975	\$1,025,597
Tuition Funding	0	0	0	0	0	0
Other State Funding	0	0	0	0	0	0
Reallocation of Existing Funds (Program Administration, faculty salaries, clerical support, supplies)**	\$355,775	\$412,975	\$327,175	\$355,775	\$398,675	\$1,850,375
Federal Funding	0	0	0	0	0	0
Other Funding	0	0	0	0	0	0
<b>TOTALS</b>	<b>\$494,032</b>	<b>\$577,440</b>	<b>\$541,350</b>	<b>\$601,500</b>	<b>\$661,650</b>	<b>\$2,875,972</b>

\* Program administration costs consist of .10 of the chair FTE for Years 1-5. Faculty salaries are based on an average salary of \$110,000 + 30% benefits. While this is average based on current Finance salaries, salaries in supporting School of Business disciplines from which required courses will be taken are roughly comparable.

\*\* Calculation of Estimated FTE Revenue (\$401 per credit hour for in-state students is used to calculate revenue from students taking courses in the major, but certain amounts being reallocated are already funded by tuition dollars and thus are subtracted from revenue indicated in this row and appear instead under Reallocation of Existing Funds)

\*\*\* Existing clerical support, faculty and supplies dollars will be reallocated to cover this program. One new faculty hire is anticipated in year 3.

**INSTITUTIONAL APPROVAL:**

This program has been approved by:

Chair, Department of Economics and Finance February 15, 2011

Curriculum Committee, School of Business March 3, 2011

Dean, School of Business November 8, 2011

Provost, College of Charleston January 5, 2012

Curriculum Committee, College of Charleston January 19, 2012

Faculty Senate, College of Charleston

January 17, 2012

President, College of Charleston

April 1, 2012

Board of Trustees, College of Charleston

April 20, 2012

**APPENDIX:**

In the following tables, comparative data on minors and concentrations in the business school over several years shows an increased interest in finance concentrations/minors. Table 1 shows that the percentage of finance concentrations has risen from 20.71% (64/309) of students who chose a concentration in Fall 2003 to 26.97% (65/241) of students who chose a concentration in Fall 2008. Table 2 shows a similar trend for finance minors, which have grown from 15.05% (28/186) of total minors in Fall 2003 to 25.97% (47/181) in Fall 2008.

**Table 6: Concentrations in the School of Business**

	ENTR	FINC	GLAT	HTMT	LCSR	MKTG	REAL	Total
Fall 2003		64	27	72		146		309
Spring 2004		74	27	74		150		325
Fall 2004		81	22	84		154		341
Spring 2005		91	20	108		167		386
Fall 2005		89	11	50		186		336
Spring 2006		98	17	35		171		321
Fall 2006		111	24	25		129		289
Spring 2007		110	26	15	9	131		291
Fall 2007	14	104	20	15	5	107		265
Spring 2008	29	106	25	14	13	120		307
Fall 2008	36	108	15	16	14	111	15	315
Spring 2009	16	63	5	8	20	74	7	193
Fall 2009	20	54	5	8	17	68	9	181
Spring 2010	26	65	6	11	21	86	8	241

**Table 7: Minors in the School of Business**

	BADM	ECON	FINC	GLAT	HTMT	Total
Fall 2003	106	23	28	1	28	186
Spring 2004	98	27	28	1	23	177
Fall 2004	68	23	37		20	148
Spring 2005	72	25	34		29	160
Fall 2005	52	33	43		35	163
Spring 2006	62	29	41		36	168
Fall 2006	49	21	47	2	36	155
Spring 2007	51	21	45	2	49	168
Fall 2007	49	19	28	1	32	129
Spring 2008	54	24	30	1	35	144

Fall 2008	39	14	27	4	30	114
Spring 2009	66	30	38	14	35	172
Fall 2009	60	23	45	12	36	176
Spring 2010	63	29	47	8	34	181