Students will develop knowledge of the policies, principles, and techniques involved in financial decisions

- Achieve knowledge of basic management problems in the loan, investment, and financing administration functions of financial institutions.
- Clearly recognize the importance of capital adequacy requirements for different types of financial institutions.
- Understand the fundamentals surrounding the current credit crises, and how the Treasury policies implemented has changed the way financial institutions are managed.
- Develop an thinking framework about markets which is based on the no-arbitrage condition.

Students will critically analyze and question knowledge in the field of finance

- Understand the idea and the practice of hedging.
- Understand how regulatory changes affect a very dynamic Financial Services industry.
- Provide a perspective of how "toxic assets" have adversely affected financial institutions performance.
- Understand how securities are first marketed to the public by investment bankers, and how and where already-issued securities are traded among.

Students will apply knowledge of financial concepts in new and unfamiliar circumstances

- Develop a self-sufficient mathematical framework to price derivatives; students must understand basic modeling and how these models may be extended to price more exotic instruments.
- Develop a rationale for derivatives usage: risk management or as a cheaper way to gain exposure to securities underlying derivatives.
- How changes due to volatility in the financial markets affect the performance of banks and other financial institutions.
- Become conversant in some programming language and use the respective language to create models for pricing derivatives and for developing hedging and risk management tools.

Students will develop thorough understanding of international financial management

- Understand how regulatory changes affect a very dynamic Financial Services industry.
- Understand the concept of efficient markets and empirical evidence.
- Security valuation: how to value stocks, bonds, and options using discounted cash flow approaches and risk-free hedging.
- How changes due to volatility in the financial markets affect the performance of banks and other financial institutions.
- Understand corporate risk management in an international context.
- Understand foreign exchange rates' determination, derivatives and forecasting.
- Understand capital budgeting in an international context.
- Demonstrate broad understanding of international finance.
- Understand optimal capital and asset allocation decisions using modern portfolio theories and capital market equilibrium models.
Students will develop knowledge of the policies, principles, and techniques involved in financial decisions.

\[
\text{\%Meets} = \left[ \frac{(38/46) + (45/46) + (40/46) + (35/46))}{4} \right]
\]

\[
\text{\%Marginal} = \left[ \frac{(7/46) + (0/46) + (6/46) + (10/46))}{4} \right]
\]

\[
\text{\%Fails} = \left[ \frac{(1/46) + (1/46) + (0/46) + (1/46))}{4} \right]
\]

Students will critically analyze and question knowledge in the field of finance.

Students will apply knowledge of financial concepts in new and unfamiliar circumstances.

Students will understand the idea and the practice of hedging.

Midterm 1 and HW 2 and 3
Meet = (40/46)
Marginal = (6/46)
Fails to Meet = (1/46)

Midterm 1 and HW 3, 4 and 5
Meet = (38/46)
Marginal = (7/46)
Fails to Meet = (1/46)

Develop an understanding of the concept of arbitrage and form a thinking framework about markets which is based on the no-arbitrage condition.

Midterm 2 AND HW 4 and 5
Meet = (35/46)
Marginal = (10/46)
Fails to Meet = (1/46)

Understand behavioral finance by applying scientific research on (a) human and social, (b) cognitive and (c) emotional factors to better understand prices, returns, and investment decisions.

Final and HW 8
Meet = (46/46)
Marginal = (0/46)
Fails to Meet = (0/46)

Develop a self-sufficient mathematical framework to price derivatives. Specifically, here students must understand basic modeling and how these models may be extended to price more exotic instruments.

Midterm 2 and HW 7
Meet = (34/46)
Marginal = (11/46)
Fails to Meet = (1/46)

Become conversant in some programming language and use the respective language to create models for pricing derivatives and for developing hedging and risk management tools.

Final and HW 4, 5, 6, 7 and 8
Meet = (45/46)
Marginal = (0/46)
Fails to Meet = (0/46)

Understand the main building blocks of derivatives: forwards, futures and options, especially put and call options.

Midterm 1 and HW 2 and 3
Meet = (40/46)
Marginal = (6/46)
Fails to Meet = (0/46)

Performance on Learning Goal One in MGF636

12.50% Meet Criteria
1.60% Marginally Meet Criteria
85.80% Fails to Meet Criteria

Combine with results on learning goal from MGF 661, and MGF 633

\[ \text{e.g. Meets} = \left[ \frac{(\%\text{Meets MGF636}) + (\%\text{Meets MGF633}) + (\%\text{Meets MGF661})}{3} \right] \]

MS Finance students’ overall performance on Learning Goal One in 2010
# Learning Objectives Reporting Form

**Spring 2010**  
**MS Finance: MGF636 (Professor Tiu)**

## Objective

**Students will…….**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Means of Assessment</th>
<th>Criteria</th>
<th>Number of students whom Meet Criteria</th>
<th>Number of Students whom Marginally Meet Criteria</th>
<th>Number of Students whom Do Not Meet Criteria</th>
<th>Total N (total number of students in class)</th>
</tr>
</thead>
</table>
| Develop an understanding of the concept of arbitrage and form a thinking framework about markets which is based on the no-arbitrage condition. | Midterm 1 and HW 2 and 3 | Meets = ≥ 80%  
Marginal = 70-79%  
Fails = ≤ 69% or below | 40 | 6 | 0 | 46 (two sections) |
| Understand the main building blocks of derivatives: forwards, futures and options, especially put and call options. | Midterm 1 and HW 3, 4 and 5 | Meets = ≥ 80%  
Marginal = 70-79%  
Fails = ≤ 69% or below | 38 | 7 | 1 | 46 |
| Understand the rationale for derivatives usage: risk management or as a cheaper way to gain exposure to securities underlying derivatives. | Midterm 2 and HW 4 and 5 | Meets = ≥ 80%  
Marginal = 70-79%  
Fails = ≤ 69% or below | 35 | 10 | 1 | 46 |
| Understand the idea and the practice of hedging. | Midterm 2 and HW 5 and 6 | Meets = ≥ 80%  
Marginal = 70-79%  
Fails = ≤ 69% or below | 45 | 0 | 1 | 46 |
| Develop a self-sufficient mathematical framework to price derivatives. Specifically, here students must understand basic modeling and how these models may be extended to price more exotic instruments. | Midterm 2 and HW 7 | Meets = > 50%  
Marginal = 20-49%  
Fails = under 20% | 34 | 11 | 1 | 46 |
| Understand behavioral finance by applying scientific research on (a) human and social, (b) cognitive and (c) emotional factors to better understand prices, returns, and investment decisions. | Final and HW 8 | Meets = >30%  
Marginal = 5-10%  
Fails = under 5% | 46 | 0 | 0 | 46 |
| Become conversant in some programming language and use the respective language to create models for pricing derivatives and for developing hedging and risk management tools. | Final and HW 4, 5, 6, 7 and 8 | Meets=>80%  
Marginal = 50-79%  
Fails=below 49% | 45 | 0 | 1 | 46 |