***ECONOMICS & MANAGEMENT ASSESSMENT PLAN/PROGRAM*** (revised on 4-27-09, vs)

*Step 1: Clearly State Mission*

E&M Mission

The mission of Albion’s Economics and Management Department is to provide an excellent undergraduate education that helps students develop the technical, analytical, and problem-solving skills needed to be successful in business and other endeavors. As a department, we are committed to teaching economics and management in the context of a broad liberal arts education, and we strongly believe that individuals who aspire to pursue business careers or graduate school will be better prepared because of the content knowledge they gain throughout our program.

*Step 2: Learning Objectives/Goals*

The Economics & Management department produces graduates who:

1. Understand and can apply fundamental principles in a range of economics and business disciplines.
2. Effectively communicate (in writing and orally) ideas, observations, analyses, conclusions, and recommendations to others in a variety of professional and personal contexts.
3. Independently conduct sound research and analysis.
4. Possess a quantitative and qualitative toolkit to facilitate problem-solving.
5. Address issues and arguments critically and reflectively, across a range of disciplines, using a liberal arts perspective (e.g., critical thinking, analytical skills, etc)
6. Are team players (e.g., have the ability to form, build, and/or participate in effective problem-solving teams, while exercising leadership and interpersonal skills).
7. Have an appreciation of and respect for diversity (e.g., have the ability to work effectively with others who differ from this person in their values or political views; the academic disciplines in which they were trained; or their race, national origin, religion, sex, age, or sexual orientation).

*Step 3: Identify program components (required courses, elective courses, out-of-classroom or other experiences) that are designed to achieve each educational objective.*

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| **Outcome 1** | **Course Sequence** | **Course Examples** |
| *Understand and can apply fundamental principles in a range of economic and business disciplines* | *Required Courses* | **Accounting:*** EM211 – Prepare basic financial statements and assess financial performance. Understand the role of accounting in capital markets. Apply GAAP valuation and recording concepts to several financial statement items.

**Economics:*** EM101 – Learn economic concepts such as opportunity cost, weighing costs against benefits, and efficiency. Analyze how prices and incomes affect human behavior. Apply economic reasoning to improve business or government decisions. Understand both the advantages of reliance on markets and the circumstances in which market failures arise. Address the Kahneman-Tversky critique from cognitive psychology of the assumption in traditional economics models that people behave rationally;
* EM102 – Provide articles that describe current affairs (e.g. the ongoing financial crisis, fiscal stimulus plan, etc.) and, based on topics taught, students interpret results and make policy proposals for the issues at hand; apply supply and demand (economics) to bond price determination (finance).
* EM232 - Assign papers in class which cover topics such as (a) what the economic policy differences are between Obama and McCain and (b) what new regulations, if any, are necessary in order to prevent another financial crisis.
* EM101H, 230 – Apply monopoly analysis to real markets to understand the difference between “structural” and “functional” definitions of monopoly used in the legal system; Introduce the concept of natural monopoly in order to analyze regulatory policy and balance normative and positive considerations; Students learn to distinguish average effects from incremental effects, which helps them to understand the importance of the process of decision making, and not just its outcomes
* EM235 – Students learn how to apply hypothesis testing to a decision-making context, and to apply their results and conclusions to problems similar to those in the business world.
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|  | *Elective Courses (sample only)* | **Accounting:*** EM212 – Understand various ways in which “cost” can be calculated and used in decision-making; student complete a semester long case study RE: planning/conducting an on-campus concert applying skills learned in the course.
* EM 341 – Develop a working knowledge of federal income tax concepts and rules particularly as they relate to individuals and unincorporated business. Recognize opportunities for effective tax planning and management. Experience using tax software to prepare practice returns.

**Economics:*** EM354 – Throughout the course students apply their “core” economic skills to new problems and issues relating to labor markets; When discussing labor demand and the Hicks-Marshall laws of elasticity, students are asked to think about hiring practices and outcomes from the perspectives of management, workers, unions, and policy makers to answer questions surrounding equity and efficiency.
* EM366 – Understand various models explaining why nations trade including inter-industry trade based on comparative advantage and intra-industry trade based on economics of scales.
* E&M 375 – Understand how moral hazard and adverse selection shape the markets for health insurance and health services. Learn how cost-effectiveness analysis is used to analyze health services.

**Finance:** * In EM344 and EM348 - Assign projects that require students to combine these skills (CFA body of knowledge) in completing class projects, and to see the interconnectedness of these disciplines.

**Management:** * EM259 – Analyze issues and offer recommendations using concepts/theories that draw from organizational behavior, management, psychology, social psychology in case study analyses, response papers, and to current events.
* EM355 – Critically examine HR issues as related to employee interaction, employment law, labor relationships, safety & health, etc.
* EM357 – Micromatic Simulation
* EM 359 – Apply management principles to case studies, current events, to offer recommendations/ future courses of action.
* EM 382 – Analyze issues in multi-faceted case studies. Offer recommendations in formal presentations.
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|  | *Directed Studies* | * Gender in the Economy ­ – Students apply the fundamental economic principles of supply, demand, and opportunity cost to understand if and how economics can explain the gender gap in pay.
* Applied Game Theory – Students learn techniques to formally model complex strategic interactions, and then apply these models in order to better understand “real world” competitive/cooperative situations (including business, marketing, politics, etc.)
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| **Outcome 2** | **Course Sequence** | **Course Examples** |
| *Effectively communicate (in writing and orally) ideas, observations, analyses, conclusions, and recommendations to others in a variety of professional and personal contexts.* | *Required Courses* | **Economics:** * EM101 – Students participate in role play exercises as suppliers-buyers to show how economic theory predicts actual behavior (Saltzman).
* EM102 – Students are required to prepare written analyses of Federal Reserve testimony and discuss Fed policy in class; students present newly released macro data and talk about the implications for financial markets.
* EM 101H, 230, 235 – Each exam/quiz requires students to clearly express concepts, describe their analytic process, and explain their conclusions/ recommendations in writing.
* EM230 –Students are required to “translate” and verbally explain concepts that are more often presented graphically or mathematically (e.g. what properties a consumer’s preferences must have in order for a demand curve to be relatively elastic).
* EM235 –Students learn how to generate a number of different graphical representations of data (e.g. bar graph, Pareto graph, pie chart, histogram), and to critically evaluate which tools for the graphical depiction of quantitative information are most effective at communicating the main story behind different types of data.
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|  | *Elective Courses (sample only)* | **Economics:*** EM 322 – Requires students to conduct a group ppt. presentation on a public policy proposal; Conduct a class presentation on an assigned reading.
* EM 354 – Students complete an in-class debate assignment in teams. This assignment requires them to communicate ideas, analyses, and arguments verbally (and “publically”); Students complete a paper that is graded on the strength and clarity of their own arguments, as well as a critical assessment of the arguments counter to their position.
* EM 356 – Students write a literature review on 2 to 3 related academic papers; students must compare/contrast the papers using knowledge learned in class.

**Finance:*** EM348 – Students are required to complete a relatively complex ratio analysis; Groups must select a firm, locate financial statements, download statements to Excel, and conduct the ratio analysis*. \*Students must write a paper detailing the firm’s profitability, asset management, debt management, and liquidity management.*

**Management:*** EM259 – Students are required to conduct a team presentation based on research conducted on a company listed on the “FORTUNE Top 100 Companies to Work For” list. In addition, student groups are required to facilitate class discussions/participation in an in class activity; Response papers and case study analyses are required.
* EM 305 – Students’ final project is a presentation of a female leader and the associated industry with which this female is/was employed; Response papers are required.
* EM 353 – Students conduct a group presentation on a recent federal labor law ruling; Collective bargaining game requiring student negotiation; Individual analysis on assigned readings. Students write two short papers on assigned readings.
* EM 355 – Students’ final project is a case competition of a HBS case related to HR issues. They are to analyze the case and offer recommendations in front of a panel of scholars and practitioners in the field; Response papers and case study analyses are required.
* EM 357 – In groups, students write and present on a Micromatic simulation performance.
* EM 359 – Students are required to develop and pitch a marketing/management plan for a fictitious company in another country (and are required to conduct research on cultural business practices in the country assigned). In addition, students’ final project is a case analysis/competition/presentation that draws on concepts learned throughout the semester; Response papers and case study analyses are required.
* EM 382 – Analyze issues in multi-faceted case studies. Offer recommendations in formal presentations.
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|  | *Out of Class Experiences* | * FED CHALLENGE
* Annual GI Case Competition
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|  | *Direct Studies* | * Gender in the Economy ­ – Students present structured, oral summaries of articles and studies weekly, and produce a 10-15 page paper providing background and analysis relating to an issue of their choice.
* Applied Game Theory – Students give presentations on topics they select throughout the semester. This requires a clear and thorough discussion of the concepts, their application, and the strengths and limitations of the conclusions they can yield.
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| **Outcome 3** | **Course Sequence** | **Course Examples** |
| *Independently conduct sound research and analysis* | *Required Courses* | * EM101H, 102/H/, 230, 235 – Each of these courses, at their core, either develop or apply technical analytic paradigms that give students a means through which to address and answer complex questions. Every assessment tool, from problem sets, to exams, to papers, to class participation requires the students to formulate questions, develop and apply a framework for analysis, and clearly and concisely describe or depict their findings.
* EM102 – A paper is required to evaluate Obama’s fiscal policy – how effective is it to stimulate the economy?
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|  | *Elective Courses (sample only)* | **Economics:*** EM354 – This course applies the technical analytic paradigms of economics to issues related to labor. As such, every assessment tool (problem sets, exams, papers, debates, and class participation) requires the students to formulate questions, develop and apply a framework for analysis, and clearly and concisely describe or depict their findings.
* EM376 – After learning about the concept of expected value, students are expected to conduct expected value calculations for decision analysis.

 **Finance:** * EM348 – Students are required to complete a relatively complex ratio analysis; Groups must select a firm, locate financial statements, download statements to Excel, and conduct the ratio analysis.

EM368 – Students are required to complete an options theory project; students work independently to allocate a hypothetical $10,000 to three different options strategies. They must use macro and/or microeconomic reasoning to justify each strategy. In addition, they must calculate margin requirements and plot a profit or loss schedule for each position. Finally, at the end of the semester, they must calculate any gains or losses and explain what went right or wrong in their economic and financial assumptions.**Management:*** EM259 – Students’ final project is a research project of a Top 100 Company as noted by FORTUNE. The goal is to have students research/analyze the company from the three perspectives (individual, group/team, organization) covered in class.
* EM 305 –Students are to conduct research on an assigned female leader and the employment sector with which she is employed. Specifically, students are to research employment trends, current status of the field, etc.
* EM 353 – Students conduct legal and managerial research on the impact of a recent ruling by the National Labor Relations Board.
* EM 357 – In Micromatic, students must arrive at group conclusions about the inputs in production, financing, and marketing. They do this for 12 sequential quarters, thereby receiving feedback and making corrections to their decisions.
* EM 359 – Students are required to research the business practices of another country and develop a business plan/pitch for a fictitious company based on their research.
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|  | *Out of Class Experiences* | Directed Studies * Sean Victoria – Refuted assumptions held about aging economy; won Morgan Stanley Scholarship for his research (Yoshida)
* David Haberkorn – Researched the future of the investment banking industry (Yoshida)
* Jason Short – Conducted a series of financial analyses as case study research (Yoshida).
* Valant Jaddou – Conducted case study research on international management practices on a variety of countries which included interviews with international representatives (Sweitzer)
* Yang Cheng – collected data from Chinese households and conducted a series of statistical analyses on the determinants of saving rate (FURSCA)
* Gender in the Economy ­ – Students produce a 10-15 page paper that must synthesize existing studies and literature into a coherent, themed, position paper addressing an issue of their choice (Lanning).
* Applied Game Theory – Students thoroughly research a number of topics they select throughout the semester using multiple sources (including texts, journal articles, etc.). This culminates in a presentation that requires original thinking on, and application of, the topic (Lanning).
* Google Challenge
* ESCIA Business Plan
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| **Outcome 4** | **Course Sequence** | **Course Examples** |
| *Possess a quantitative and qualitative toolkit to facilitate problem-solving.*   | *Required Courses* | **Accounting:*** EM211 – Prepare basic financial statements and assess financial performance. Understand the role of accounting in capital markets. Apply GAAP valuation and recording concepts to several financial statement items.

**Economics:*** EM101 – Emphasizes quantitative analysis, logic, and problem solving. Students get a great deal of practice making and interpreting graphs; students weigh costs against benefits.
* EM101H, 230 – Students learn how thinking in incremental terms allows economic agents to optimize their decisions, and how to apply marginal analysis across a broad range of problems
* EM 102 – Use U.S. historical data/charts/plots to help students understand the long-run trend and short-run fluctuations of key macro variables such as GDP. Students learn how to read/interpret data.
* EM235 – Students are given examples of data drawn from unknown distributions and must determine the proper strategy to draw inference from these data, as well as the limits of the inference; Students learn how to form and test hypotheses, and assess the statistical significance of their results and conclusions.
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|  | *Elective Courses (sample only)* | **Economics:*** EM354 -- Students conduct and interpret economic and statistical analyses of labor market outcomes (such as the wage gaps between races and genders), then use these analyses to discuss possible solutions to problems relating to labor markets.

**Finance:*** EM344 -- Students use statistical tools to calculate a stock’s systematic risk and determine the capital asset pricing model required return for the stock.
* EM368 – Students complete projects using futures, options and swap contracts to construct effective hedged positions in the financial markets.

**Management:*** EM305 – Students conduct case study research on employment trends related to gender issues.
* EM357 – Micromatic Simulation
* EM 382 – Analyze issues in multi-faceted case studies. Offer recommendations in formal presentations.
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|  | *Directed Studies* | * Gender in the Economy ­ – Students undertake a large project that explores a problem of their choice that must include a rigorous exploration of the available evidence (both qualitative and quantitative) in order to derive a suggested policy solution.
* Applied Game Theory – Students work on assignments that apply formal models of strategic interactions to problems in politics, marketing, sports, and the military.
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|  | *Out of Class Experiences* | * FED CHALLENGE
* Annual GI Case Competition
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| **Outcome 5** | **Course Sequence** | **Course Examples** |
| *Address issues and arguments critically and reflectively, across a range of disciplines, using a liberal arts perspective* | *Required Courses* | * EM101H, 102/H, 230, 235 – Students are challenged to consider the limits of positive analysis and economic analysis, as well as the importance of normative considerations and interdisciplinary perspectives. Each assessment tool requires students to display an understanding of and an appreciation for the diversity of opinions, ideas, and priorities that exist about policies, analyses, and conclusions.
* EM101H – In Principles of Microeconomics a key finding is that placing a tax on a competitive market is inefficient. After a question that requires students to calculate the deadweight loss that results from a tax, I will ask if that necessarily means a tax is “bad” or even “unnecessary.” In so doing I challenge the students to think beyond the positive constraints of welfare analysis and to consider how and when non-economic considerations (e.g. sociological, political, and legal) may be more important.
* EM102 – Evaluate Obama’s policy
* EM235 – In hypothesis testing students are shown how statistics can be used to support, contradict, and analyze the theories developed by a broad range of disciplines.
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|  | *Elective Courses (sample only)* | **Accounting:** * EM 311/312 – In test based essay questions, students analyze the “Economic Consequences” of various financial accounting principles.

**Economics:*** EM354 – satisfies Albion’s Ethnicity Category. As such, every assessment tool (including exams, debates, papers, etc.) requires the careful consideration of race and ethnicity in a broader context than economics allows, in addition to the application of economic tools and analyses to questions regarding diversity and multiculturalism.
* EM 365 – Students write a literature review on 2 to 3 related academic papers; students must compare/contrast the papers using knowledge learned in class.

**Management:*** EM 259, 305, 355, 359 – Students are required to write response/reaction

papers based on journal articles (e.g., Business Week, Wall Street Journal, Academic Journals, etc). They are to critically analyze the author(s) arguments by applying concepts from class. Students are encouraged to make connections across courses. * EM 382 – Analyze issues in multi-faceted case studies. Offer recommendations in formal presentations.
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|  | *Out of Class Experiences* | FED ChallengeGI Annual Case CompetitionInternship experiences |
|  | *Directed Studies* | * Gender in the Economy ­ – Students are encouraged to draw from diverse literatures (e.g. psychology, sociology, education) in both conducting and critiquing economic analysis of gender outcomes in economic markets.
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| **Outcome 6** | **Course Sequence** | **Course Examples** |
| *Are team players (e.g., have the ability to form, build, and/or participate in effective problem-solving teams, while exercising leadership and interpersonal skills).*   | *Required Courses* | **Economics:** * EM101 – Students haggle with each other in a series of buyer/seller scenarios (Saltzman); Students complete small group web pages and make class presentations addressing industry structure.
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|  | *Elective Courses (sample only)* | **Economics:*** EM354 – Students complete an in-class debate assignment in teams. Part of the grade for the presentation is based on the equality of team participation, and a post-assignment reflection on the dynamics of the team.

**Finance:*** EM348 – Students are required to complete a relatively complex ratio analysis; Groups must select a firm, locate financial statements, download statements to excel, and conduct the ratio analysis (this is a group project).

**Management:*** EM 259, 355, & 359 – Students are required to work in teams on a research project and/or a case analysis. In addition to an overall team evaluation based on the final product, each member must submit a peer evaluation for each team member based on quality of contribution, consistency of contribution, and overall effectiveness as a team member.
* EM 357 – In Micromatic, students must arrive at group conclusions about the inputs in production, financing, and marketing.
* EM376 – Students participate in role-playing activities in a series of negotiation exercises.
* EM 382 – Analyze issues in multi-faceted case studies. Offer recommendations in formal case presentations.
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|  | *Out of Class Experiences* | FED ChallengeGI Annual Case CompetitionInternships |
|  | *Directed Studies* | Applied Game Theory – Students work in teams to complete assignments, prepare presentations, and to generate proposed applications of game theory for a final project. |

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| **Outcome 7** | **Course Sequence** | **Course Examples** |
| *Have an appreciation of and respect for diversity (e.g., have the ability to work effectively with others who differ from this person in their values or political views; the academic disciplines in which they were trained; or their race, national origin, religion, sex age, or sexual orientation).*   | *Required Courses* |  |
|  | *Elective Courses (sample only)* | **Economics:*** EM322 – Course deals with race relations in America; course also encourages students to explore political ideologies, issues of affirmative action, etc. (course meets the ethnicity category requirement).
* EM 354 – Course deals extensively with sex differences and especially racial or ethnic differences in labor market outcomes such as earnings and unemployment, with particular attention to the extent to which discrimination causes differences in outcomes.
* EM364 – This course explores some of the factors that enabled high growth in post war Japan, one of which is the religious/cultural aspect of frugality(???).

**Management:*** EM 305 – This course specifically explores the role of women in business and leadership. It meets the criteria of a gender category course and is included on the elective course list for Women and Gender Studies.
* EM355 – This course covers issues/concepts in human resource management, but meets the criteria of a gender category course. Specifically, this course examines employment issues (affirmative action, EEO, pay disparity, etc) from a gender perspective.
* EM 382 – Analyze issues in multi-faceted case studies. Offer recommendations in formal (team) presentations.
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*Step 4: Select methods/data sources and instruments that you will use to gather information about whether expected outcomes and learning objective are being achieved.*

Spring 2009:

Graduating Senior Survey (survey administration – online, April 2009)

Focus Group (Members of the Gerstacker Visiting committee – April 2009)

Focus Group (Graduating E&M Seniors – April 2009)

 *Step 5: Analyze and interpret the data.*

\*Data will be entered/analyzed/interpreted Summer 2009. Hoping to hire a summer intern/student worker to help with this process.

*Step 6: How will the data collected be used for decision-making, strategic planning, etc.*

\*Once data are analyzed, a summary report will be drafted (by Vicki Sweitzer) and shared with the department early fall, 2009. At that time, more detail can be provided about how the data will be used for strategic/course planning.

NOTE: You will need to submit a summary report of your findings to the Assessment Committee for review. In that report, please include details of how the data will be used, any program changes that will be made (or not made). Questions to ask yourself/to include in the report are as follows:

* How, exactly, will your data be used to help with program planning and improvement?
* All decisions related to E&M curriculum will be made by the entire department.