

TO: Mike Mahon
President and Vice Chancellor

DATE: April 11, 2013

FROM: Bob Boudreau
Chair, University Review Committee

RE: Faculty of Management – Finance Area, Academic Quality Assurance Review

In accordance with the U of L *Academic Quality Assurance Policy and Process*, the University Review Committee approved the review of the Faculty of Management – Finance Area at its October 23, 2012 meeting.

The Program Review Committee for this review was comprised of Ebenezer Asem, Rossitsa Yalamova, and Pam Loewen. The review produced four documents:¹

1. *Quality Assurance Self-Study Report: Faculty of Management – Finance Area* (received June 4, 2012) – Self Study Report developed by the Finance Program Review Committee.
2. *Quality Assurance Review Report: Faculty of Management, Finance Area, University of Lethbridge* (June 28, 2012) – External Review Report prepared by external reviewers Vikas Mehrotra (UAlberta) and Kai Li (UBC).
3. *Response to External Report on the Finance Quality Assurance Review* (July 17, 2012) – Program Response developed by the Finance Program Review Committee.
4. *Quality Assurance, Faculty of Management, Human Resource Management and Labour Relations: Response of the Dean* (September 26, 2012) – response to the review, written by Robert Ellis, Dean of Management.

Self Study

According to the Self Study Report, the Finance area offers good quality programs, with several noteworthy features and a strong alumni base, but has several challenges:

- There is declining enrolment in the program, from a peak of over 350 in 2007-08 to under 300 in 2010-11. Numbers of offers, acceptances, and new registrants also show a downward trend.
- The Faculty must decide how to best incorporate the Centre for Financial Market Research and Teaching (CFMRT) into the curriculum, and also how to use this facility in the Calgary and Edmonton campuses.

¹ All documents are available upon request.

² AFI is “a joint initiative started in 2008 by the Alberta Investment Management Corporation (AIMCo), the University of Alberta School of Business and the University of Calgary Haskayne School of Business to coordinate the organization of joint seminars, scholarships, conference events, and internships for PhD candidates and MBA students” (<http://www.albertafinanceinstitute.ca/>).

- There are tensions between: a professional degree and an academic degree; depth and breadth in Finance courses; the number of elective courses and available faculty; and enrolments and applicant pool quality.
- Finance programs must be of equal quality across the three campuses.
- Academically-qualified faculty members are needed in the Calgary and Edmonton campuses.
- What is the optimal course sequence?
- What is the optimal class size and resourcing?
- Faculty research and teaching advancement.
- The General Liberal Education Requirement (GLER) limits the number of courses students can take in Finance.
- What is the best mix of concentrations in Finance?

The self study presented recommendations for improving the program:

- Offer the core Finance courses in Calgary in Edmonton.
- Integrate CFMRT software and databases more fully into program courses, to make the courses more relevant and practical.
- Strengthen the practical components of the program by integrating the CFMRT into existing courses, and by introducing new courses in areas such as energy and commodity risk management.
- Develop non-credit courses that can be offered to the business community in Calgary and Edmonton, using CFMRT resources.
- Increase student awareness of opportunities in finance by promoting finance clubs and encouraging students to participate in finance competitions (e.g., the Rotman's case competition at UToronto).
- Hire tenure-track, academically qualified faculty on the Calgary and Edmonton campuses.
- Expand the trading room (CFMRT) experience to the Calgary and Edmonton campuses.
- Develop a Master of Science program in Finance.

External Review

The External Review Report noted the impressive quality of the Finance area's faculty members, support staff, resources, and program structure. Major strengths of the Finance area are:

- Curriculum and course descriptions are comparable to larger degree-granting universities in Canada.
- There are small average class sizes.
- The co-op program is well-established, and meshes effectively with the academic term.
- The CFMRT, with its state of the art trading room, is impressive and its use in courses will make the Finance area stand out in Canada.

- Faculty have published in elite Finance journals, and all tenured (3) and tenure-track (2) faculty have PhDs.
- Graduation rates are high (80% and above).
- Extensive library resources and databases are available to students.
- Direct entry, beginning in Fall 2012, is a positive step.
- There is a strong culture of research and informed teaching methods that compares favorably with much larger universities in Canada.

However, the External Review Report stated that the sustainability of the Finance area is in question, in the face of declining enrolment and applications, and made several recommendations for its future:

- Hire two new faculty, including one for Calgary.
- Consider disengaging from Edmonton and focusing on Lethbridge and Calgary, where Finance programs should be expanded.
- Rename some of the Finance courses to make the course headings more informative, transparent, and comparable to other universities with similar programs.
- Mgt. 4470 (Student Managed Investment Funds) is a flagship course. Pursue a donor for this course and re-name it after the donor or choose a high profile name, like PRIME (Program for Research and Investment Management Excellence) at UAlberta.
- Standardize courses across the three campuses.
- Explore the reasons for the decline in co-op enrolment.
- Contact the local chapters of CFA, CA, CMA, and CGA and find out how to make course offerings more relevant for students to get these designations.
- Enhance the placement of the co-op program.
- Hold career planning sessions at an early stage of the program.
- Add access to these databases: Capital IQ, Thomson Financial's institutional holdings (13F), Thomson Financial's SDC databases (covering mergers and acquisitions, and security issues), and Dealscan.
- Organize regular research workshops.
- The proposed Master of Finance has many risks and needs to be focused on a niche. A one-year Master's of Finance degree with a specialization in Commodities and Resources is the best option.

Program Response

In addressing the concerns and recommendations that emerged from the External Review Report, the Program Response made the following main points:

- The Finance area is working on expanding promotional activities, to increase enrolment.
- To distinguish the Finance programs, the Faculty of Management is: maintaining the quality of teaching and research; integrating the CFMRT into courses; and adding niche-based courses as needed.

- Finance is working on more course integration with CFMRT and on expanding CFMRT to Calgary and Edmonton.
- The Finance Program Review Committee agrees with the need to hire a faculty member for the Calgary campus.
- The Finance Program Review Committee agrees with discontinuing the Finance major in Edmonton if enrolment remains low. If enrolment picks up, Finance will hire one academic and one professional instructor in Edmonton.
- The recommended change to the Finance course descriptor from MGT to FNCE is underway.
- The Finance Program Review Committee agrees with the recommendation to find a donor for Mgt. 4470 and name the course after the donor. However, at present there are no concrete plans for changing the name.
- The harmonizing of courses across the three campuses is proceeding, with the sharing of course outlines and content already underway. The Finance area will appoint course coordinators for core courses, which will boost coordination.
- Co-op placements in Finance have increased, and will likely continue to increase.
- The Faculty of Management is working with the University Advancement office to reach out to the business community and professional bodies.
- For career planning, there is the Career Resource Centre and the Management undergraduate office. The Faculty will hire a professional development officer to coordinate career planning activities.
- The Finance Program Review Committee agrees that Finance needs a speaker series. The Faculty of Management as a whole does have a funded program for scholars and speakers.
- Offering additional courses in niche areas will require the hiring of an additional faculty member.
- The Finance Program Review Committee appreciates the external reviewers' observations about a possible Master of Finance.
- Look into the possibility of conducting investment challenges across Canadian universities.

Dean's Response

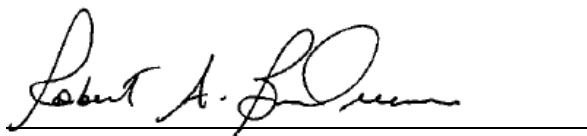
In his response to the results of the review, Dean of Management Robert Ellis presented the proposed course of action for responding:

- The Faculty of Management will hire a PhD-level faculty member for the Finance area in Calgary for July 1, 2013.
- The Faculty of Management will make the Trading Room the focal point for the Finance program, by:
 - Extending the Trading Room to the Calgary campus by 2013.
 - Integrating the Trading Room into all Finance courses by 2013.

- Creating a Trading Room External Advisory Board, comprised of individuals from the business and professional community. (Note: this was already done, in 2011-12.)
- Staging an investment challenge competition for high school students in 2013.
- The Faculty of Management will expand opportunities for co-op for Finance students. A co-op Field Advisor was hired in 2011-12 to develop new co-op placements, which increased from 173 (2010-11) to 230 (2011-12). By 2013, the co-op program will be offered to second year students.
- By 2013, the Faculty of Management will appoint course coordinators for all core Finance courses.
- The Faculty of Management will strengthen opportunities for research in Finance by:
 - Acquiring the suggested new financial databases for the Trading Room.
 - Launching a research seminar series in 2013.
 - Applying to become a member of the Alberta Finance Institute (AFI) in 2013.²
- The Management Curriculum Committee will consider a proposal to rename Finance courses to make the names informative and descriptive of the content.
- The Faculty of Management will launch a Professional Development Program, which will include career information sessions.
- In 2012-13, a Task Force will study opportunities for an M.B.A. in Finance with a Specialization in Commodities and Resources. A Task Force report will be due May 1, 2013.

The University Review Committee is satisfied that the Faculty of Management – Finance Area academic quality assurance review has followed the U of L’s academic quality assurance process appropriately, and acknowledges the successful completion of the review.

Sincerely,



Robert A. Boudreau

Chair, University Review Committee

Cc: Andrew Hakin, Provost and Vice President (Academic)

² AFI is “a joint initiative started in 2008 by the Alberta Investment Management Corporation (AIMCo), the University of Alberta School of Business and the University of Calgary Haskayne School of Business to coordinate the organization of joint seminars, scholarships, conference events, and internships for PhD candidates and MBA students” (<http://www.albertafinanceinstitute.ca/>).