NORTHERN ILLINOIS UNIVERSITY

Assessment Plan

Program: Master of Science in Financial Risk Management (MS-FRM)

1. Learning Outcomes

The NIU Master of Science in Financial Risk Management program provides advanced study in financial risk management to prepare students for the challenges of the professional practice of financial risk management. This preparation is demonstrated by the following.

1. Graduates will be able to calculate the Value at Risk (VaR) in various scenarios.

2. Graduates will compare derivative markets and the use and pricing of various derivatives.

3. Graduates will assess various risk mitigation techniques and be able to analyze situations and make recommendations regarding risk mitigation.

4. Graduates will estimate econometric models and make predictions based on those models.

5. Graduates will explain regulatory requirements for risk mitigation in various situations.

2. Explanation of Methods. The Assessment Plan for the Master of Science in Financial Risk Management Degree is provided on the following five pages. The charts identify:

I. The Program Mission;
II. Program Learning Goals;
III. Methods Used to Evaluate Effectiveness in Meeting Learning Goals;
IV. Description of Methods Used;
V. Table of Outcomes by Methods;
VI. Time Line; and
VII. Use of Results
## DEPARTMENT OF FINANCE

### ASSESSMENT PLAN FOR MASTER OF SCIENCE IN FINANCIAL RISK MANAGEMENT (MS-FRM) DEGREE

<table>
<thead>
<tr>
<th>I. Department Mission</th>
<th>II. Program Learning Goals</th>
<th>III. Methods to Evaluate Effectiveness</th>
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</thead>
</table>
| In support of the College of Business, the Department of Finance at Northern Illinois University strives to enhance the profession of finance through quality teaching, research, and professional service. We seek to prepare students for successful business careers through teaching excellence in our undergraduate and graduate programs. We strive to develop both academic and professional research that will improve financial education and/or facilitate finance professionals in providing quality services to the business community. We also endeavor to advance the profession by providing service to professional organizations and assistance to firms and business professionals. | The MS FRM program provides advanced study in financial risk management to prepare students for careers in risk management in banks, investment firms, and in corporate treasury departments. The program is designed for fulltime students. The program focuses on the latest advances in hedging and risk mitigation techniques incorporating the use of complex financial instruments, including swaps, futures, forwards, and options. This preparation is demonstrated by the following.  
  1. Graduates will be able to calculate the Value at Risk (VaR) in various scenarios.  
  2. Graduates will compare derivative markets and the use and pricing of various derivatives.  
  3. Graduates will assess various risk mitigation techniques and be able to analyze situations and make recommendations regarding risk mitigation.  
  4. Graduates will estimate econometric models and make predictions based on those models.  
  5. Graduates will explain regulatory requirements for risk mitigation in various situations. | A. Faculty assessment of learning goals  
B. Placement information  
C. University alumni surveys  
D. Student performance on professional certification examinations  
E. Exit surveys  
F. Guidance provided by the Finance Board of Executive Advisors |


### IV. Description of Methods

<table>
<thead>
<tr>
<th>Method</th>
<th>Description</th>
<th>Time Line</th>
<th>Person Responsible</th>
<th>Goals Addressed</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Faculty assessment of learning goals</td>
<td>Faculty assess student achievement of a specified learning objective through a class assignment (project; exam problem) that is evaluated using a rubric developed for the assignment.</td>
<td>Every Fall and Spring semester, a sample of courses is selected to evaluate Department learning goals.</td>
<td>Department Chair Curriculum Committee</td>
<td>1,2,3,4,5</td>
</tr>
<tr>
<td>B. Placement information</td>
<td>Graduating students are asked about the positions they have accepted. Surveys are sent to students who do not provide this information before they graduate.</td>
<td>At the end of every semester. Follow-up surveys mailed 1 to 2 months after graduation. Second mailing 2 to 3 months after graduation.</td>
<td>Department Chair</td>
<td>General measure of all goals.</td>
</tr>
<tr>
<td>C. University alumni surveys</td>
<td>Financial Risk Management graduates are asked questions about their perceptions of how well the University and Department prepared them for their careers.</td>
<td>One year after graduation.</td>
<td>University Assessment Coordinator</td>
<td>General measure of all goals.</td>
</tr>
<tr>
<td>D. Student performance on professional certification examinations</td>
<td>Assess student performance on professional certification examinations.</td>
<td>Annually</td>
<td>Review Directors</td>
<td>1,2,3,4,5</td>
</tr>
<tr>
<td>E. Exit surveys</td>
<td>Students are asked questions about their perceptions of how well the program prepared them for their careers.</td>
<td>At the end of every semester.</td>
<td>Department Chair</td>
<td>1,2,3,4,5</td>
</tr>
<tr>
<td>F. Guidance provided by the Finance Board of Executive Advisors</td>
<td>Alumni who work in the service region and employers who hire our students meet to provide guidance to our program.</td>
<td>Semi-Anually</td>
<td>Department Chair</td>
<td>1,2,3,4,5</td>
</tr>
</tbody>
</table>
## V. Table of Outcomes by Methods - Which Outcomes Are Addressed by Assessment Method

<table>
<thead>
<tr>
<th>Method</th>
<th>Calculate Value at Risk</th>
<th>Derivatives Knowledge</th>
<th>Risk Mitigation</th>
<th>Econometric Modeling</th>
<th>Regulatory Knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Faculty assessment of learning goals</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>B. Placement information</td>
<td></td>
<td></td>
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<tr>
<td>General measure of all goals by virtue of successful admission to graduate school or employment.</td>
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<tr>
<td>C. University alumni surveys</td>
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<tr>
<td>General measure of all goals by virtue of positive responses from the survey.</td>
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<td></td>
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<tr>
<td>D. Professional examination performance</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>E. Exit surveys</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>F. Finance Board of Executive Advisors</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>
VI. Time Line

The Department of Finance will follow the following calendar of assessment activities:

**June-July:**
1. Collect and analyze Spring semester direct assessment results.
2. Analyze university alumni surveys.

**August:**
1. Analyze placement information and exit surveys collected from summer graduates.
2. Discuss changing professional needs, program preparation of hires, and suggested curricular improvements with Finance Board of Executive Advisors.
3. Summarize discussion and surveys from Finance Board of Executive Advisors, if applicable.
4. Review student performance on professional certification examinations.

**September:**
1. Review student performance on professional certification examinations.

**October:**
1. Analyze placement information and exit surveys collected from Summer graduates.
2. Collect and analyze Spring/Summer semester direct assessment results.

**November:**
1. Analyze results from assessment in Department Curriculum Committee. Determine changes for improvement, if needed.

VII. Use of Results

Designated individuals in the Department of Finance analyze assessment results during each academic year as appropriate. The assessment process consists of the following steps:

1. The Committee receives all compiled results for evaluation. The compiled results are made available to all faculty members.
2. The Committee prepares recommendations for curricular improvements based upon the information available.
3. The Committee then determines benchmarks that will be used to determine if the changes are effective.
4. Recommendations are discussed and voted upon by the full faculty, as necessary.
5. Changes are then implemented.
3. Analysis of Available Data.

The MS-FRM program has yet to be implemented, thus no results are available.