College: Business

Department: Finance

Degree: M.S. in Financial Risk Management

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Assessment Plan

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

1. *Introduction*

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 prepares students for financial risk management careers in in banks, investment firms, and in corporate treasury departments. 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. While the program was originally designed for part-time students, it can also accommodate full-time students. As the program launched on a part-time basis in Fall 2016 not all of the program's ten classes have been delivered at this time. Consequently, this report will outline the program's learning objectives and intended assessment techniques.

2. *Student 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 understand and quantify risk.

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 explain regulatory requirements for risk mitigation in various situations.

3. *Curriculum Map*

Course	Program Student Learning Outcomes			
	1. Understand and quantify risk.	2. Compare derivative markets and the use and pricing of various derivatives.	3. Assess various risk mitigation techniques, analyze situations, and make recommendations regarding risk mitigation.	4. Explain regulatory requirements for risk mitigation in various situations.
FINA 575	B			
FINA 674	D	B	B	
FINA 603	D			
FINA 622			B	
FINA 630	P	D	D	B
FINA 555		B		
FINA 623	P			
FINA 662		P		
FINA 560	P		P	P
FINA 688	D	D	P	B
Note. Course supports the outcome at the B=beginning, D=developing, or P=proficient level.				

4. *Assessment Methods*

EXPLANATION OF ASSESSMENT METHODS TABLE

	Explanation					
Assessment Method	Description	Student-Level Achievement [a]	Program-Level Target [b]	When Data Will be Collected	Person Responsible	SLOs
Faculty assessment of learning goals (Direct-embedded assessments)	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.	A student will receive a score of Meets (3) or better.	80% of all MSFRM students will meet the student-level target.	Once per year (depending upon when the course is offered), the course instructor reports the assessment results to the Department Chair.	Course instructor	1, 2, 3, 4
Placement information	Graduating students are asked about the positions they have accepted. Surveys are sent to students who do not provide this information before they graduate.	A graduate who desires a career in risk management will have secured a position that utilizes their risk management skills within 6 months after graduation.	80% of MSFRM graduates who desire risk management employment will be employed in a field utilizing their risk-management education 6 months after graduation.	While the initial survey will be sent out right before graduation, follow-up surveys will be sent to non-responding students 1-2, 3-4, and then 5-6 months post-graduation.	The survey will be administered and results collected by either the Department Chair, Academic Advisor, or appropriate support staff.	General measure of all goals

Assessment Method	Explanation					
	Description	Student-Level Achievement [a]	Program-Level Target [b]	When Data Will be Collected	Person Responsible	SLOs
Exit surveys	At the end of the program, graduates will be asked questions about their perceptions of how well the program prepared them for their careers. This survey will specifically ask questions related to the students' mathematical ability, technological skills, understanding of risk management topics, written and oral communication skills, and the positions they have accepted. The tool will use a Likert scale ranging from 1 (worst) to 5 (best).	A student will indicate a rating of 4 or higher.	The average and median scores will be at least 4.0.	While the initial survey will be sent out right before graduation, follow-up surveys will be sent to non-responding students 1-2, 3-4, and then 5-6 months post-graduation.	The survey will be administered and results collected by either the Department Chair, Academic Advisor, or appropriate support staff.	1, 2, 3, 4

Assessment Method	Explanation					
	Description	Student-Level Achievement [a]	Program-Level Target [b]	When Data Will be Collected	Person Responsible	SLOs
Student performance on professional certification examinations	The Financial Risk Manager (FRM®) Exam administered by the Global Association of Risk Professionals (GARP) is the globally recognized standard for measuring the skills and knowledge of those who manage financial risk. A practice-oriented examination offered in two parts in either May or November, questions are designed to relate theory to practical, real-world, problems. While MSFRM students are not required to sit for the exam, as a GARP Academic Partner they are eligible to be considered for a scholarship that would cover the Exam Part 1 registration fee.	The student passes FRM Part 1.	The percentage of MSFRM students passing Part 1 will meet or exceed the national average pass rate (i.e., in 2016 the pass rate for Part 1 was 39.7%).	Semiannually (i.e., the exam is administered in May and November). Exam results are typically available to the student (not the institution) 60 days after the exam. MSFRM students will be surveyed for results.	Students must self-report to either the Department Chair, Academic Advisor, or appropriate support staff.	General measure of all goals

Assessment Method	Explanation					
	Description	Student-Level Achievement [a]	Program-Level Target [b]	When Data Will be Collected	Person Responsible	SLOs
NIU alumni surveys	The Alumni Survey asks newly graduated undergraduate and graduate students questions that cover three broad areas: employment, additional education, and satisfaction. Alumni are surveyed about their perceptions as to how well the University and Department prepared them for their careers. In addition to MSFRM specific results, comparison numbers for all alumni of CBUS and NIU are also provided.	An MSFRM graduate will indicate that (i) their current job is related to their Masters degree (or unrelated by choice) and (ii) their program prepared them for their career.	The total percentage of MSFRM graduate respondents indicating that (i) their current job is related to their Masters degree (or unrelated by choice) and (ii) their program prepared them for their career is at least 70%.	One year after graduation. Survey respondents are individuals who earned a baccalaureate and/or graduate degree in the prior academic year. E.g., a survey labeled 2014 was conducted in 2015-2016 with respondents graduating in 2013-2014.	administered by Accreditation, Assessment and Evaluation Services in the Office of Institutional Effectiveness	General measure of all goals.

Assessment Method	Explanation					
	Description	Student-Level Achievement [a]	Program-Level Target [b]	When Data Will be Collected	Person Responsible	SLOs
Advisory Board Guidance and Feedback	The Finance Department's Board of Executive Advisors (which is constituted by alumni who work in the service region and hire our students) will have contact with MSFRM students through mock interviews, guest speaker engagements, job shadowing/internships, and potentially employment opportunities. After their interaction with our students they will provide feedback, suggestions, and insight at the next Board meeting (which occur 2-4 times annually).	An MSFRM student will be rated as Meeting Expectations or better using a rubric relevant to the specific interaction.	Advisory Board members will rate 80% of the MSFRM students they come in contact with as Meeting Expectations or better using a rubric relevant to the specific interaction.	As needed, probably annually	Department Chair	General measure of all goals.
Note. [a] Student-level target is the score or performance an individual student must demonstrate to say the student met the student learning outcome. [b] Program-level target is the percent of all students that must demonstrate they meet the student learning outcome.						

ASSESSMENT METHODS-BY-OUTCOMES MATRIX

Assessment Method	Program Student Learning Outcomes			
	1. Understand and quantify risk.	2. Compare derivative markets and the use and pricing of various derivatives.	3. Assess various risk mitigation techniques, analyze situations, and make recommendations regarding risk mitigation.	4. Explain regulatory requirements for risk mitigation in various situations.
Faculty assessment of learning goals (Direct-embedded assessments)	F,D	F,D	F,D	F,D
Placement information	S,I	S,I	S,I	S,I
Exit surveys	S,I	S,I	S,I	S,I
Student performance on professional certification examinations	S,D	S,D	S,D	S,D
NIU alumni surveys	S,I	S,I	S,I	S,I
Advisory Board Guidance and Feedback	S,D	S,D	S,D	S,D
Note. F=formative assessment, S=summative assessment, D=direct assessment, and I=indirect assessment. See the paragraph above for an explanation of each type of assessment.				