

**DATE:** July 14, 2005

**SUBJECT:** University of Tennessee at Martin, Bachelor of Science (B.S.) in Business Administration, major in Finance

**ACTION RECOMMENDED:** Approval

**BACKGROUND INFORMATION:** The concentration in Finance has been offered within the economics major for thirteen years. As demand, faculty, and courses have been added, the program has evolved into a degree without the designation. Since the inception of the finance concentration, student enrollment has consistently shown that the majority of economics majors were actually finance students. Establishing finance as a separate major accurately represents the preferences of the profession, curricular trends, and legitimizes and strengthens the program, and improves the marketability of graduates in the workforce.

**PROPOSED START-UP DATE:** Fall 2006

Commission staff has reviewed program proposals according to the academic standards adopted by the Commission on November 14, 2002. Each standard is referenced below.

**1.1.20A MISSION:** The proposed program is consistent with the role and scope of the mission of the University of Tennessee Martin “to provide a quality undergraduate education in a traditional collegiate atmosphere characterized at all levels by close relations among students and faculty.”

**1.1.20B CURRICULUM:** The proposed program requires 120 semester hours to complete the curriculum. The program of study is consistent with finance majors offered at American Association of Colleges and Schools of Business (AACSB) comparable peer institutions. All courses are currently being offered in the Finance concentration distributed as follows:

<u>Curriculum Components</u>	<u>Credit Hours</u>
General Education	54
Business Administration Requirements	36
Major Core Requirements	<u>30</u>
TOTAL	120

**1.1.20C ACADEMIC STANDARDS:** Students are admitted and matriculate based on the admission, retention, and graduation policy consistent with those for other programs in the College of Business and Public Affairs and published in the *Undergraduate Catalog*. Students must maintain a minimum GPA of 2.0.

Student Projections	Projected Program Productivity		
	Full-time Enrollment	Part-time	Graduates
Year 1	50	0	20
Year 2	54	0	22
Year 3	59	0	24
Year 4	64	0	26
Year 5	70	0	28

**1.1.20D FACULTY:** No additional faculty will be required.

**1.1.20E LIBRARY RESOURCES:** No additional library resources are needed.

**1.1.20F ADMINISTRATION/ORGANIZATION:** The proposed program will be housed in the Department of Accounting, Economics, Finance and International Business in the College of Business and Public Affairs. The departmental chair will continue to administer the program as a major. There will be no organizational changes.

**1.1.20G SUPPORT RESOURCES:** The Dunagan Chair of Excellence in Banking and the Hendrix Chair of Excellence in Free Enterprise will offer opportunities to work with regional banks, small businesses and government agencies.

**1.1.20H FACILITIES/INSTRUCTIONAL EQUIPMENT:** No additional instructional equipment or facility renovations are required.

**1.1.20I STUDENT/EMPLOYER DEMANDS:** A free-standing major will enhance the ability to attract students who want to major in finance and stimulate growth in the program. In addition, the major designation would remove confusion among prospective employers and place UT Martin graduates on a more competitive footing in the job market. Finance is an increasingly specialized field. During the last ten years finance majors have represented an average of 56 percent of all Economics majors. Graduates with a concentration in finance are viewed as Economics majors and are viewed by corporate recruiters as such; therefore, they are not as competitive in the job market with graduates in Finance. A recent trend has emerged with the popularity of a double degree in Accounting and Finance. With a major in Finance available, it will be possible for students to declare a second major. The Finance degree will also improve the employer perception that graduates are financially literate in their knowledge of financial management, budgeting, cash-flow management, credit management, and investing.

**1.1.20J NO UNNECESSARY DUPLICATION:** The University of Tennessee Martin is a regional university, primarily serving the northwestern area of the state. Similar programs are offered at the University of Tennessee Knoxville, the University of Memphis, Tennessee State University, Tennessee Technological University, East Tennessee State University and Middle Tennessee State University.

**1.1.20K COOPERATIVE INSTITUTIONS:** None indicated.

**1.1.20L DESEGREGATION:** The program will not impede the state's effort to achieve racial diversity.

**1.1.20M ASSESSMENT/EVALUATION AND ACCREDITATION:** The B.S. in Business Administration and concentrations (including Finance) are accredited by the AACSB International. This accreditation is affirmed through 2010. The proposed program will be subject to periodic reviews by the finance faculty and/or reviews by external consultants.

**1.1.20N ARTICULATION:** N/A

**1.1.20O EXTERNAL JUDGMENT** (Graduate Programs): N/A

**1.1.20P COST/BENEFIT/SOURCE:** The proposed program has been a concentration within the economics major for some time. The change to a free-standing degree involves adding general education courses and electives that are all currently being offered. There are no additional costs associated with the proposed program. The major in Finance will meet the demands of the profession for graduates with the degree designation and student demand.

**1.1.30 POST APPROVAL MONITORING:** An annual performance review of the proposed program will be conducted for the first five years following approval. The review will be based on goals established in the approved program proposal. At the end of this period, campus, governing board, and Commission staff will perform a summative evaluation. These goals include but are not limited to, enrollment and graduation numbers, program costs, progress toward accreditation, library acquisitions, student performance and other goals set by the institution and agreed upon by governing board and Commission staff. As a result of this evaluation, if the program is found to be deficient, the Commission may recommend that the governing board terminate the program. Copies of such recommendation will be forwarded to the Education Committees of the General Assembly. The Commission may also choose to extend this period if additional time is needed and requested by the governing board.