

**An Introductory Course in Financial Management:
Challenges and Responses
(Survey)**

**Mary Funck
Sam Houston State University**

**Howard Keen
Temple University**

**Tim Michael*
University of Houston-Clear Lake
2700 Bay Area Blvd MC 204
Houston TX 77058
michael@uhcl.edu
(corresponding author)**

This document has been compiled for the Proceedings of the 2023 Financial Education Association annual meeting and it is preliminary in nature. Please do not cite these results without contacting the authors for an update.

An Introductory Course in Financial Management: Challenges and Responses

Introduction

Over time, the basic introductory course in financial management has evolved into one of the most important and challenging classes both to teach and to learn from. For finance and accounting majors in this class, it can represent the first chance to learn the core concepts and ways of thinking that drive our profession. For the non-major students, it often represents the only course that they will take to learn about financial economics, or their “last chance” to learn about financial decision-making and the importance of markets and valuation mathematics. For new instructors, it can be one of the most challenging classes to teach if done right, and one of the most disastrous classes if done poorly. For many of us, the basic business finance course was the class that led us into the profession and helped us frame our understanding of finance and its role in the modern business curriculum. It is our opinion that the importance of this course and its place in the undergraduate business core cannot be overstated.

We built a survey to help us better understand the structure and demands placed on the introductory financial management undergraduate course being taught today. We distributed this survey link to current and former members of the Financial Education Association. The presentation we intend to make at the FEA conference will share a detailed explanation of the responses we received, and the underlying trends identified in how this course is currently administered.

Some Preliminary Results

As of late September 2023, we have sent links to the survey out to approximately 640 current and former members of the Financial Education Association on three occasions since August. We have received 73 responses, and 64 of those indicated that they had taught “Introduction to Financial Management” or a related course in the last 10 years.

For 62% of them it was their primary teaching responsibility, although 60.8% also had a research expectation as part of their position.

Position	Proportion
Full professor	29.4%
Associate professor	35.3%
Assistant professor	13.7%
Clinical professor	7.8%
Instructor/Lecturer	7.8%
Other	9.8%

Of these positions, 62% were considered tenured or tenure-track.

For years since their last degree, 74.5% of respondents said that it had been 15 years or more, and another 9.8% answered that it had been longer than 10 years. Of the programs surveyed, 80.4%

either had or were seeking AACSB accreditation, and the Bachelor of Science was the most popular component degree (51% of those surveyed).

Our colleagues have their own choice of text 77.1% of the time, but only 8.2% of programs had separate classes for finance and non-finance majors. Of those, 40.8% had a limit on the number of times students could repeat the class to obtain a passing grade.

Forty-three of our colleagues answered the question regarding content areas. The most popular topics were

Topic Area	Ranked by participants
Time Value of Money	100%
Stock Valuation	100%
Risk and Return	98%
Bond Valuation	95.9%
Interest Rates and Inflation	91.8
Financial Statements	87.8%
Capital Budgeting	89.8%
Cost of Capital	89.8%
Financial Markets	77.6%
Estimation of Project Cash Flows	71.4%
Capital Structure	34.7%
Dividend Policy	14.3%

For apparent difficulty of particular topics, TVM was the highest-ranked topic area, with risk and return and bond and stock valuation weighted highly. For the second-most difficult area, TVM ranked first with bonds, stocks, risk and cost of capital ranking closely right behind it. More analysis of the comments is necessary before we can try to understand the responses in this question.

For the topics our survey failed to ask about, working capital policy was popular, along with personal finance and personal financial literacy. Several respondents indicated that a math review area was part of their versions of the course.

When asked about their autonomy for topics and learning objectives, our colleagues answered 49% for topics and 44% for course objectives.

The most common textbooks by franchise were

- Brigham & Houston Concise,
- Ross, Westerfield and Jordan,
- Brealey, Myers, Marcus, and
- Titman, et al.

Seventy percent of the classes surveyed did not have writing assignments, but nearly 25% had some kind of case analysis involved, and 48% of total respondents indicated that they gave students in this course “other experiential activities” rather than case projects.

Fifty-seven percent of instructors indicated that they took roll in this course. The “class size” question will require an analysis of individual responses, but it was startling to see how many schools still relied on small sections to teach this course. There were “grade expectations” of distributions for 26.5% of the reporting courses, but only 8.3% indicated that there were institutional limits on “D, F or W” grades. Sixty-five percent of instructors used some kind of homework tool. 47.9% of classes used three high-stakes exams, and 4 exams was the next most popular answer with 22.9%.

On average, “Exams” were 63% of the course grades, with “Homework” at an average of 18% and “Cases” at 11% of the course grade. About a fifth of classes dropped the lowest exam, and exam grades were curved (39.6%) or full course grades were curved (46.8%) for a large number of the courses described. Extra credit opportunities were available to students for 35% of the courses surveyed.

Item Type	Frequency
Multiple-choice problems	46%
Multiple-choice questions	32%
Open problems	39%
Short-answer or essay questions	25%

Use of devices on exams:

Devices	Frequency
Any	29.6%
Excel-only	6.8%
Financial calculators only	20.5%
Any handheld calculator	40.9%

Other aids for exams:

Aid type	Frequency Allowed
Note sheet	16.7%
Restricted note sheet	38.1%
Printed formula sheet	45.2%
Open book	21.4%
Open notes	23.8%

Proctoring:

Format	Frequency
Live proctoring (in person or online)	77.8%
Record and review software	17.8%
Live monitoring by IAs or instructors	13.3%
No proctoring	8.9%

Seventy-one percent of respondents indicated that they did not allow the use of any artificial intelligence (AI) tools in their sections of this course. Fifteen respondents indicated that they would allow AI use, but the most common response regarding documentation requirements was “none are required” or something similar.

These results are preliminary – before completing our work we will need to look for patterns in the individual comments. Although this can be cumbersome, it is often a great way to narrow down pathways to additional research and to find out what we omitted when putting together the survey.

Actual Instrument from SurveyMonkey.com

FEA Introduction to Finance Survey 2023

Mary Funck, Sam Houston State University

Howard Keen, Temple University

Tim Michael, University of Houston-Clear Lake

Financial Education Association (FEA) is an organization for collegiate teachers of financial management, located online at www.jfedweb.org. FEA publishes both *Journal of Financial Education* and *Advances in Financial Education* each year.

This survey is designed to collect information regarding the characteristics of undergraduate classes taught as a first course entitled "Introduction to Financial Management," "Principles of Finance," "Business Finance" or something similar. We hope to use the information gained here to establish an idea of what can be considered "best practices" for use by both established teachers and programs as well as those programs who are developing curricula and new teachers seeking to start on a research-based footing.

We have designed the survey to take 20-30 minutes, but it is very detailed and allows for many "open" responses. All responses and respondent identities will be kept strictly confidential by the survey team. If you wish to receive a copy of the results of the survey, there is a question at the end that asks for your email address.

1. In the past decade, have you taught an undergraduate section of a class labeled

- Introduction to Financial Management,
- Principles of Finance,
- Managerial Finance,
- Basic Business Finance, or
- something similar (please specify below)

If you choose "No," the survey will skip to the end.

- Yes
- No
- Other (please specify):

Respondent/Institution Profile:

2. Is this course your primary teaching responsibility (by credit hours generated)?

- Yes
- No
- Other (please specify):

Respondent/Institution Profile:

3. Is teaching/instruction your primary responsibility, or does the college also expect research productivity during the year?

- Teaching/Instruction is my primary responsibility
- I have a research expectation as part of my appointment

Please describe the research requirement, if any:

4. Respondent/Institution Profile:

Please indicate your academic rank?

- Professor
- Associate Professor
- Assistant Professor
- Clinical Professor
- Instructor/Lecturer
- Other (please specify):

5. Respondent/Institution Profile:

Is your current position considered tenure-track?

- Yes
- No
- Other (please specify):

6. Respondent/Institution Profile:

How many years has it been since you completed your highest degree?

- 1-5
- 6-10
- 11-15
- More than 15 years

7. Respondent/Institution Profile:

Is your college accredited by or actively seeking AACSB accreditation?

- Yes
- No
- Other (please specify):

8. Respondent/Institution Profile:

What is the undergrad finance degree at your institution? (check all that apply)

- Bachelor of Arts
- Bachelor of Business Administration
- Bachelor of Science
- Other (please specify):

9. Respondent/Institution Profile:

Is the textbook choice an individual choice or a departmental/unit choice?

- Individual choice
- Departmental choice
- Explanation (if needed):

10. Course Characteristics:

Under what department/unit is this course administered?

11. Course Characteristics:

Is the course required of all majors in the college? Please add any explanation you find appropriate in the provided field.

Yes

No

Explanation or clarification:

12. Course Characteristics:

Do you have separate courses for finance majors and for non-finance majors? Please add any explanation you find appropriate.

- Yes
- No
- Explanation (if needed)

13. Course Characteristics:

Is there a limit to the number of "repeats" of this course before a student faces consequences?

Yes

No

What are the consequences, if you know them?

14. Course Characteristics:

Which of the following topics are covered by this course? (check all that apply)

- Financial markets
- Time value of money
- Interest rates and inflation
- Bond prices and yields
- Stock pricing & valuation
- Risk & return
- Financial statements analysis
- Cost of capital
- Capital budgeting
- Estimation of project cash flows
- Capital structure decisions
- Dividend policy
- Globalization
- Mergers and acquisitions
- Raising capital (IPOs, bond issues, venture capital, etc.)
- Hybrid securities
- Derivative pricing

15. Course Characteristics:

From the following drop-down list of topics, please select the five topics that give students the most trouble, in ascending order (most troublesome first):

- Most difficult
- Second most difficult
- Third most difficult
- Fourth most difficult
- Fifth most difficult
 - Financial markets
 - Time value of money
 - Interest rates and inflation
 - Bond prices and yields
 - Stock pricing & valuation
 - Risk & return
 - Financial statements analysis
 - Cost of capital
 - Capital budgeting
 - Estimation of project cash flows
 - Capital structure decisions
 - Dividend policy
 - Globalization
 - Mergers and acquisitions
 - Raising capital (IPOs, bond issues, venture capital)
 - Hybrid securities
 - Derivative pricing

16. Course Characteristics:

Does your class cover important topics that we left out of our list? Please list all that apply.

- Topic 1
- Topic 2
- Topic 3
- Topic 4
- Topic 5

17. Course Characteristics:

Do you have full autonomy to choose the topics for your class sections?

- Yes
- No
- Explanation (if needed):

18. Course Characteristics:

Do you have full autonomy to determine the learning objectives for your class sections?

- Yes
- No
- Explanation (if needed):

19. Course Characteristics:

What textbook is used for this course (author, title, edition)?

20. Course Characteristics:

Is there a writing component for your course?

- Yes
- No

If “yes,” what weight does the writing component represent in the total course grade?

21. Course Characteristics:

Do you use case analysis in your course?

Yes
No

If “yes,” what weight does the case component represent in the total course grade?

22. Course Characteristics:

Other than cases, are there any other experiential learning opportunities in your class?

Yes
No

If “yes,” please describe:

23. Learning Aid and/or Course Characteristics:

For this class, do you typically use teaching assistants, and, if so, are they grad students or undergrad students?

Yes

No

If “yes,” are they undergrads, or grad students, or both?

24. Course Characteristics:

Out of a score of 100 percent, what is the minimum course average needed by finance-related majors to pass the course?

25. Course Characteristics:

Out of a score of 100 percent, what is the minimum course average needed by non-finance majors to pass the course?

26. Course Characteristics:

Are F2F and hybrid classes taught as lectures or are they a combination of lectures and student practice opportunities?

- Lecture-oriented
- Lectures with practice opportunities in class

Other (please specify):

27. Course Characteristics:

Do you take attendance in class?

- Yes
- No

Other (please specify):

28. Course Characteristics:

What is the typical class size per section?

29. Course Characteristics:

What is the typical total enrollment per class, per semester?

30. Course Characteristics:

What is the average grade for students who complete this class?

31. Learning Aids:

Is school or departmental tutoring provided, and, if so, how many hours per week?

32. Learning Aids:

If tutoring is provided, is it face-to-face or online, or both?

- Face-to-face
- Online
- Both modalities
- Other (please specify)

33. Learning Aids:

Do you utilize Microsoft PowerPoint presentations (or similar)?

- Yes
- No

If “yes,” what proportion of the presentation content is created by you?

34. Learning Aids:

Do you use videos to supplement your live lectures?

- Yes
- No

If “yes,” what proportion of these videos are recorded by you?

35. Learning Aids:

Are lectures recorded for students to watch outside of class?

- Yes
- No

If “yes,” is this a large proportion of the content of the course?

36. Learning Aids:

Do you use real-time response tools in class (Poll Everywhere or “clickers,” etc.)?

- Yes
- No

If “yes,” do responses count in the course grade?

37. Learning Aids:

Who are the providers of your most important learning tools for students (videos, online homework tools, etc.)?

38. Grading Policy:

For this course are there expectations (of the instructor) to be met regarding the final grade distribution (%As, %Bs, %Fs, etc.)?

Yes

No

If “yes,” please describe:

39. Grading Policy:

Does your college or university limit the number of “D,” “F,” and/or “W” grades in classes?

- Yes
- No

If “yes,” please explain:

40. Homework:

Do you use some type of online homework tool?

- Yes
- No

If “yes,” who is the publisher?

41. Homework:

If you use an online homework tool, how many attempts per question are allowed?

42. Do you allow extensions of original deadlines in the class?

- Yes
- No

If “yes,” is there a penalty for lateness?

43. Exam Policy:

How many exams does each student take in your class?

- 1
- 2
- 3
- 4
- 5
- More than 5

Other (please specify):

44. Exam Policy:

Do you write the exams for this course:

Yes

No

If “no,” who writes the exams for the course?

45. Exam Policy:

Are the exams conducted online or in person?

- Online (for online courses)
- In person (for F2F courses)
- A mix of online and F2F test taking independent of class modality/format

Other (please specify):

46. Exam Policy:

On exams, what is the typical time per question allowed (if you know)?

47. Exam Policy:

Do you routinely offer make-up exams?

- Yes
- No

If “yes,” are the make-up exams of the same or a different format as the original?

48. Exam Policy:

If make-up exams are routinely offered, are they the same difficulty as the original exams?

- Yes
- No

Other (please specify):

49. Exam Policy:

Are exams in this course “open book” exams?

- Yes
- No

Explanation, if necessary:

50. Learning Aids and/or Exam Policy:

Do you make past exams or exam items available for review?

- Yes
- No

Other (please specify):

51. Exam Policy:

What is your practice with regard to post-exam review?

- I report statistics (range, average and median, etc.) but I don't review individual exam questions with the class
- I review the entire exam in class
- I show exam questions in class, but only discuss individual questions if asked
- I review individual student exams by meeting with students, but only on request
- I never review exams
- I provide students with a list of topics that they missed on the exams

Other (please specify):

52. Grading Policy:

What are the weights assigned for various parts of the course? (please enter these to sum to 100, in whole numbers)

- Homework
- Attendance
- Exams
- Participation
- Case analysis assignments
- Periodic quizzes
- In-class activities (other than quizzes)

53. Are one or more exam scores dropped?

- Yes
- No

Explanation, if necessary:

54. Grading Policy:

Are any exam scores weighted more heavily than other exams?

- Yes
- No

If "yes," what topics are weighted more heavily?

55. Grading Policy:

Are individual exam scores in this course curved in any way?

- Yes

- No

Explanation, if necessary:

56. Grading Policy:

Is the overall course average curved at the end of the course?

- Yes
- No

Explanation (if necessary):

57. Grading Policy:

Is there an “extra credit” component available?

- Yes
- No

If “yes,” how many points out of a course average of 100 are available?

58. Grading Policy:

What opportunities do you offer to help students overcome a low exam score?

- Drop a low score and shift the weight to a higher score
- Apply more weight to the highest exam score
- Give more than equal weight to a non-cumulative or departmental final exam score
- Give more than equal weight to a cumulative or departmental final exam score

Other (please specify):

59. Exam Policy:

What is the format of the typical exam in this course? (Please enter percentages that sum to 100, in whole numbers)

Multiple-choice problems _____

Multiple-choice questions _____

Open answer problems _____

Open answer (short answer) questions _____

Long-answer essay questions _____

Other _____

I don't use high-stakes testing (please set to 100) _____

60. Exam Policy:

Approximately what proportion of your exam questions are quantitative in nature?

61. Exam Policy:

Which of the following describes your policy regarding permitted calculating devices?

- Any and all devices are allowed
- Excel only
- Handheld or online financial calculators only
- Handheld or online scientific calculators only
- Any type of handheld calculator

Other (please specify):

62. Exam Policy:

What other aids do you allow on exams? (check all that apply)

- 'Cheat sheets' with no restrictions
- 'Cheat sheets or notes with restrictions (e.g. number of pages, only one side of the page, must be handwritten, etc.)
- Printed formula sheets
- Open book
- Open notes
- Artificial intelligence (AI) tools
- Any and all resources (including the Web) are allowed on exams

Other (please specify):

63. Proctoring of Exams:

What form of proctoring do you use for exams? (check all that apply)

- Live person (face-to-face or online)
- Record and review proctoring software
- If online, we require students to have cameras and/or mics turned on for monitoring during the exam by course instructors or teaching assistants
- If online, we require students to self-record and post their exam sessions for instructors or teaching assistants to review

- We do not use proctoring in this course (please explain why your class doesn't use proctoring in the 'Other' field)

Other (please specify):

64. Artificial Intelligence Tools:

Do you allow or encourage students to use Artificial Intelligence (AI) tools in this course? (this might include ChatGPT or other "large language" AI learning models)

- Students can use AI on homework assignments
- Students can use AI on exams
- Students can use AI on course projects and/or writing assignments
- No, I don't allow students to use any AI tools in this course

If 'yes,' which AI providers are allowed and/or encouraged? (explain below)

65. Artificial Intelligence Tools:

If artificial intelligence (AI) tools are allowed in this course, what documentation or citation do you require from students who choose to use it? (For example: "Students must turn in their query wording, the full AI response language, and the listed sources that the AI used in its response.")

66. Final Question:

Thank you for your participation. If you would like to receive reports of our results, please enter your preferred email address in the box provided. All responses will be kept strictly confidential by the survey team.