PROPOSED CHANGES TO THE BBA FINANCE DEGREE PROGRAM IN THE DEGREES AND PROGRAMS SECTION OF THE MCCOMBS SCHOOL OF BUSINESS CHAPTER IN THE UNDERGRADUATE CATALOG 2016-2018

Dean Thomas W. Gilligan, in the Red McCombs School of Business has filed with the secretary of the Faculty Council the following changes to the Undergraduate Catalog, 2016-2018. On February 20, 2015, the Undergraduate Program Committee approved the proposal, and the faculty representatives from all of the school’s departments and programs and the dean approved it on April 16, 2015. The secretary has classified this proposal as legislation of general interest to more than one college or school.

The Committee on Undergraduate Degree Program Review recommended approval of the changes on October 8, 2015, and forwarded them to the Office of the General Faculty. The Faculty Council has the authority to approve this legislation on behalf of the General Faculty. The authority to grant final approval on this legislation resides with UT System with formal notification to the Texas Higher Education Coordinating Board.

To be counted, a protest must be received in the Office of the General Faculty by November 2, 2015.

Hillary Hart, Secretary
General Faculty and Faculty Council

Posted on the Faculty Council website <http://www.utexas.edu/faculty/council/> on October 19, 2015.
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Type of Change  ☒ Academic Change  ☐ Degree Program Change (THECB form required)

Proposed classification  ☒ Exclusive  ☐ General  ☐ Major

1. IF THE ANSWER TO ANY OF THE FOLLOWING QUESTIONS IS YES, THE COLLEGE MUST CONSULT LINDA DICKENS, DIRECTOR OF ACCREDITATION AND ASSESSMENT, TO DETERMINE IF SACS-COC APPROVAL IS REQUIRED.
   • Is this a new degree program?  Yes ☐ No ☒
   • Does the program offer courses that will be taught off campus?  Yes ☐ No ☒
   • Will courses in this program be delivered electronically?  Yes ☐ No ☒

2. EXPLAIN CHANGE TO DEGREE PROGRAM AND GIVE A DETAILED RATIONALE FOR EACH INDIVIDUAL CHANGE:

1. Combine the Financial Markets and Banking track and Investment Management track together to make an “Investment Management and Banking” track.
   Rationale: Most banks (and other financial institutions) offer cash and investment management services/products similar to investment managers. The new combined track has a stronger course requirement than either of the original two separately.

2. Allow students to take both FIN 374C and FIN 374S for degree credit.
   Rationale: This restriction is no longer needed, as content and environments have undergone changes. Both courses have been listed as options within the tracks as appropriate.

3. Remove FIN 367Q from the Quantitative track.
   Rationale: The FIN 367 course has been redesigned to be similar to the FIN 367Q content, so there is no need for differentiated classes. FIN 367Q will no longer be offered.

4. Add new track, “Finance with Required Accounting Minor,” to allow finance students the opportunity to complete a transcript-recognized minor (TRM) in accounting.
   Rationale: The University’s requirements for TRMs stipulate “at least nine of the hours required for the minor must include coursework not used to satisfy the requirements of the student’s major.” Because the finance major requires fifteen to eighteen hours of accounting, it would not be possible for students to find an additional nine hours of accounting to take on top of the fifteen to eighteen required for finance degree. This new track shifts some of the required accounting hours from the finance major to be part of a required accounting minor for that track, worked out in conjunction with the registrar’s office. Wording has been adjusted as needed throughout, to make the changes necessary for the new track with accounting minor.

Twenty percent of all business students currently completing any twelve-hour minor (not TRM) are finance majors taking an accounting minor.

Please Note! This track only requires the addition of one hour to complete the degree; 121 hours are necessary to fulfill the University, McCombs and finance major “Finance with Required Accounting Minor” track requirements.

5. Nonacademic: Change descriptive language in the opening paragraphs to reflect changes to tracks.
   Rationale: Changes to tracks need to be reflected by the updated wording.

3. THIS PROPOSAL INVOLVES (Please check all that apply)
   ☐ Courses in other colleges  ☐ Courses in proposer’s college that are frequently taken by students in other colleges
   ☒ Course in the core  ☐ Change in course sequencing for  ☐ Courses that have to be
4. SCOPE OF PROPOSED CHANGE
   a. Does this proposal impact other colleges/schools? Yes ☐ No ☑
      If yes, then how?
   b. Do you anticipate a net change in the number of students in your college? Yes ☐ No ☑
      If yes, how many more (or fewer) students do you expect?
   c. Do you anticipate a net increase (or decrease) in the number of students from outside of your college taking classes in your college? Yes ☐ No ☑
      If yes, please indicate the number of students and/or class seats involved.
   d. Do you anticipate a net increase (or decrease) in the number of students from your college taking courses in other colleges? Yes ☐ No ☑
      If yes, please indicate the number of students and/or class seats involved.

If 4 a, b, c, or d was answered with yes, please answer the following questions. If the proposal has potential budgetary impacts for another college/school, such as requiring new sections or a non-negligible increase in the number of seats offered, at least one contact must be at the college-level.

   How many students do you expect to be impacted?
   Impacted schools must be contacted and their response(s) included:
   Person communicated with:
   Date of communication:
   Response:

   e. Does this proposal involve changes to the core curriculum or other basic education requirements (42-hour core, signature courses, flags)? If yes, explain: No

   If yes, undergraduate studies must be informed of the proposed changes and their response included:
   Person communicated with:
   Date of communication:
   Response:

   f. Will this proposal change the number of hours required for degree completion? If yes, explain:
      Yes, for the newly-added 7th track only, this will increase the number of hours required to 121, from 120. Students can choose to pursue any of the tracks; the finance major with accounting minor is one option.
      For the finance degree:
      1. Fifty hours of specified non-business coursework are required.
      2. Ten additional hours are necessary to satisfy the BBA Degree requirement of sixty hours non-business coursework; these are ten hours of non-business electives.
      3. Fifty-five hours of specified business coursework are required.
      4. Five additional hours needed to make a 120-hour degree; these are free electives. For the track of Finance with Required accounting minor, these five hours are taken up by the additional Accounting elective hours needed; however the minor requires six hours of accounting to meet the fifteen hour minor requirement, which results in one additional hour needed for this track.
      5. This hour cannot be taken from the ten hours of unspecified non-business hours, as sixty hours non-business is required for the BBA degree, and needed for accreditation compliance.

Further detailed by this chart:

<table>
<thead>
<tr>
<th>Course</th>
<th>Other Finance tracks</th>
<th>15 hour ACC Minor</th>
<th>FIN major + ACC Minor track</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA 324</td>
<td>Required for FIN major; all tracks</td>
<td>BA 324</td>
<td>Required; simultaneously fulfills minor</td>
</tr>
</tbody>
</table>
ACC 312  | Required for FIN major; all tracks | ACC 312  | Required; simultaneously fulfills minor
---|---|---|---
ACC 326  | Required for the 6 other FIN major tracks | ACC 326  | Required as part of Minor
Finance course  | Required for FIN major; all tracks | n/a  | Required for FIN major; all tracks
Finance course  | Required for FIN major; all tracks | n/a  | Required for FIN major; all tracks
Finance course  | Required for FIN major; all tracks | n/a  | Required for FIN major; all tracks
Finance course  | Required for FIN major; all tracks | n/a  | Required for FIN major; all tracks
Finance course  | Required for FIN major; all tracks | n/a  | Required for FIN major; all tracks

This new track is necessary due to the minor mandate that at least nine hours for the minor must include coursework not used to satisfy the requirements of the student’s major.

5. COLLEGE/SCHOOL APPROVAL PROCESS

Department approval date: February 20, 2015
Approved by whom: Undergraduate Program Committee (faculty representatives from each McCombs Department, and student representatives)

College approval date: April 16, 2015
Approved by whom: Faculty of the McCombs School of Business

Dean approval date: April 16, 2015
Approved by whom: Dean Thomas Gilligan

PROPOSED NEW CATALOG TEXT:

Catalogs > Undergraduate > Red McCombs School of Business > Degrees and Programs > Bachelor of Business Administration > Finance

Finance

Finance is the study of resource allocation—the process, markets, institutions, and instruments that provide for the transfer of money and wealth. The finance degree program offers students an opportunity to study the finance function in the business firm, the financial services firm, and the financial system. The finance major presents students with the theoretical framework and analytical tools and techniques to handle a variety of finance and business functions. Students may choose one of seven tracks: corporate finance and investment banking, energy finance, investment management and banking, quantitative finance, finance with required accounting minor, or real estate; students who do not wish to specialize may choose the general finance track.

Corporate finance and investment banking courses are designed to prepare students for careers as associates of corporate treasury departments, as corporate financial analysts, and as management consultants. Energy finance courses are designed to prepare students for positions in project financing, valuation, and risk management in the energy sector. Investment management and banking courses are designed to give students a background suitable for starting positions as financial analysts with investment funds, investment banks, commercial banks, and other financial institutions. Quantitative finance courses are designed to prepare students for a variety of financial institution–related careers, such as lending officer and financial analyst. Quantitative finance courses are designed to prepare students for financial analyst positions in research departments of
financial institutions and for graduate study in finance. Real estate courses are designed to give students a broad background in valuing and managing real estate; the track is intended to prepare students for positions in real estate commercial brokerage and appraisal, mortgage banking, loan underwriting, real estate development and investment, and property management.

Finance majors may specialize further by completing the Financial Analyst Program (FAP). This one year program allows competitively selected business students to work closely with finance faculty members and industry professionals to develop their skills and experience as analysts. The program may be combined with any of the finance options. More information about FAP is available in the Department of Finance office and at http://www.mccombs.utexas.edu/Centers/AIM/Financial-Analyst-Program.aspx.

The requirements of this program are:

1. The Core Curriculum and the BBA Degree Requirements.
2. Accounting 326 (with the exception of the finance track with required accounting minor), Finance 367 [or 367Q (students pursuing the quantitative finance option must choose 367Q)], and 370 (may fulfill writing and independent inquiry flags).
3. Only one independent study may be counted toward the finance major with the exception of the general finance track, the finance track with required accounting minor, and the real estate track, which do not allow independent study, as noted below.
4. One of the following tracks:
   a. Corporate Finance and Investment Banking
      i. Finance 374C.
      ii. One of the following courses: Accounting 327 (may fulfill the quantitative reasoning flag), 329, 362, or 364.
   b. Energy Finance
   c. Investment Management and Banking
      i. Finance 377 (Topic 1: Portfolio Analysis and Management).
      ii. Finance 371M.
   d. Financial Markets Banking
      i. Finance 354 or 371M.
   e. General Finance
      i. Twelve semester hours of upper-division coursework in finance; up to three hours may be taken in real estate. The following courses may not be used to fulfill this requirement: Finance 353, 357, 367, and 370. Finance 354 and 371M may not both be used. Finance 374C and 374S may not both be used. Finance 377 (Topic 2: Financial Risk Management) and 377 (Topic 5: Energy Financial Risk Management)
may not both be used. Finance 377 (Topic 3: Security Analysis) and 377 (Topic 4: Financial Analysis) may not both be used; Topic 3 is open only to students in the Financial Analyst Program.

ii. An independent research course may not be counted toward the general finance option.

[f] e. Quantitative Finance
i. Statistics 375 or 375H. Completing this requirement will also fulfill the requirement for the statistics course listed in item 7.1.5 of the BBA degree requirements.

[ii. Finance 367Q. Completing this requirement will also fulfill the requirement listed in item 2 of the finance program requirements given above.]

ii. [iii.] Finance 374C.


iv. [v.] One of the following courses: Finance 371M, 372, 373, 374S, 376, 377 (Topic 1: Portfolio Analysis and Management), and either 377 (Topic 3: Security Analysis) or 377 (Topic 4: Financial Analysis).

v. [vi.] One of the following courses: Statistics 372 (Topic 5: Financial and Econometric Time Series Modeling), 372 (Topic 6: Optimization Methods in Finance), 372 (Topic 7: Computational Finance), Management Information Systems 373 (Topic 17: Data Mining for Business Intelligence), Finance 366P.

[g] f. Real Estate
i. Finance 354 or 371M.

ii. One of the following courses: Finance 377 (Topic 3: Security Analysis) or 377 (Topic 4: Financial Analysis), 374S, or 374C.

iii. Six semester hours of coursework in real estate.

iv. An independent research course may not be counted toward the real estate option.

g. Finance with Required Accounting Minor
i. Twelve semester hours of upper-division coursework in finance; up to three hours may be taken in real estate. The following courses may not be used to fulfill this requirement: Finance 353, 357, 367, and 370. Finance 354 and 371M may not both be used. Finance 377 (Topic 2: Financial Risk Management) and 377 (Topic 5: Energy Financial Risk Management) may not both be used. Finance 377 (Topic 3: Security Analysis) and 377 (Topic 4: Financial Analysis) may not both be used; Topic 3 is open only to students in the Financial Analyst Program.

1. Students may choose to complete this requirement with the finance course requirements for any one of tracks a-e.

ii. Accounting McCombs Minor, completed in full.

iii. An independent research course may not be counted toward the finance with accounting minor option.

iv. Students in this track do not take 5 hours of free electives; those are fulfilled by the Accounting McCombs Minor.

Note: this track requires 121 hours for degree completion.

5. Additional elective coursework, if necessary, to provide a total of at least 120 semester hours, except for the finance with required accounting minor track, which requires 121 semester hours.