October 30, 2017

Dear Provost McInnis,

Enclosed for your consideration and action is a proposal to change the Proposed Changes to the Finance Degree Program Degree Program the McCombs School of Business chapter of the Undergraduate Catalog, 2018-2020 (D 15440-15445) The legislation is classified as being of exclusive interest to one college or school and was approved by the Faculty Council on a no-protest basis on October 19, 2017. The authority to grant final approval on of this legislation resides with your office with formal notification to the Texas Higher Education Coordinating Board.

Please let me know if you have questions or if I can provide other information concerning these items.

Sincerely,

Alan W. Friedman, Secretary
General Faculty and Faculty Council
The University of Texas at Austin
Arthur J. Thaman and Wilhelmina Doré Thaman Professor of English and Comparative Literature

AWF:dlr Enclosures

ec: Lydia A. Cornell, Administrative Program Coordinator, Provost’s Office
    Michelle K. George, Administrative Manager for Faculty Affairs, Provost’s Office
    David Platt, Associate Dean for Undergraduate Programs, McCombs School of Business
    Leah Miller, Director of Undergraduate Academic Services, McCombs School of Business
DOCUMENTS OF THE GENERAL FACULTY

PROPOSED CHANGES TO THE FINANCE DEGREE PROGRAM IN THE MCCOMBS SCHOOL OF BUSINESS CHAPTER IN THE UNDERGRADUATE CATALOG, 2018-2020

Dean Jay Hartzell in the McCombs School of Business has filed with the Secretary of the Faculty Council the following proposal to change the Finance degree program in the McCombs School of Business chapter in the Undergraduate Catalog, 2018-2020. On February 6, 2017, the Undergraduate Program Committee approved the proposal, and the faculty at McCombs School of Business approved it on April 26, 2017. On April 26, 2017, the Dean approved the proposal. The Secretary has classified this proposal as legislation of exclusive interest to a single college or school.

The Committee on Undergraduate Degree Program Review recommended approval of the major on September 26, 2017, and forwarded it 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 the Provost on behalf of the President.

If no objection is filed with the Office of the General Faculty by the date specified below, the legislation will be held to have been approved by the Faculty Council. If an objection is filed within the prescribed period, the legislation will be presented to the Faculty Council at its next meeting. The objection, with reasons, must be signed by a member of the Faculty Council.

To be counted, a protest must be received in the Office of the General Faculty by October 12, 2017.

Alan W. Friedman, Secretary of the General Faculty and Faculty Council
The University of Texas at Austin
Arthur J. Thaman and Wilhelmina Doré Thaman Professor of English and Comparative Literature

Distributed through the Faculty Council Wiki site https://wikis.utexas.edu/display/facultycouncil/Wiki+Home on October 6, 2017.
PROPOSED CHANGES TO THE FINANCE DEGREE PROGRAM IN THE MCCOMBS SCHOOL OF BUSINESS CHAPTER IN THE UNDERGRADUATE CATALOG, 2018-2020

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 SACSCOC APPROVAL IS REQUIRED.
   • Is this a new degree program? ☐ Yes ☑ No
   • Is this program being deleted? ☐ 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. Add wording to describe finance track with required accounting minor; not an academic change. 
      Rationale: Info on this track was missing, it’s included for the other tracks.
   2. In the “Energy Track” make required classes on separate lines rather than together with “and;” not a change to the requirement, purely formatting. 
      Rationale: Make each required class easier to see, and make consistent that courses on same numbered line indicates a list of options.
   3. In the “General Track” allow up to six hours Real Estate electives, rather than limit to three hours. 
      Rationale: This change is needed to allow the track with minor to accept six hours real estate (see below). The General Track is still differentiated from the Real Estate Track by the latter’s requirement of FIN 371M. The current real estate courses, particularly the electives beyond RE 358, are strongly rooted in FIN/ACC, so it doesn’t weaken the general finance track to allow six hours of RE.
   4. Remove all mention of FIN 354. 
      Rationale: FIN 354 has not been offered in several years, and has been retired.
   5. Allow “Finance Track with Required Accounting Major” to use Real Estate track requirements in fulfillment of the twelve semester hours department coursework, by accepting up to six rather than limited to three hours RE elective. 
      Rationale: No benefit in excluding real estate track students from being able to pursue an accounting minor.
   6. Remove statement in “Finance Track with Required Accounting Major” about free electives. 
      Rationale: Change in AACSB accrediting requirements no longer mandate sixty hours non-business coursework for the BBA degree, allowing the previous non-business elective hours required to convert to free electives; student who do this track will now have three hours free electives available.
   7. Reduce “Finance Track with Required Accounting Major” from 121 to 120 hours, and remove both statements concerning 121 hours from catalog.
Rationale: Change in AACSB accrediting requirements no longer mandate sixty hours non-business coursework for the BBA degree; this flexibility allows us to adjust the electives in the track and reduce degree requirements to 120 hours.

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 curriculum
   - [ ] Change in course sequencing for an existing program
   - [ ] Change in admission requirements (external or internal)
   - [ ] Requirements not explicit in the catalog language (e.g., lists of acceptable courses maintained by department office)
   - [ ] Flags
   - [ ] Courses that have to be added to the inventory

4. **SCOPE OF PROPOSED CHANGE:**
   a. Does this proposal impact other colleges/schools?  
      Yes [x]  No [ ]
      If yes, then how would you do so?
   b. Do you anticipate a net change in the number of students in your college?  
      Yes [x]  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 [x]  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 [x]  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? Yes, only for the Finance Track with Required Accounting Minor

Note: THECB Semester Credit Hour Change Form required, download from URL: http://www.thecb.state.tx.us/reports/DocFetch.cfm?DocID=2419&format=doc
If yes, explain: Change in AACSB accrediting requirements no longer mandate sixty hours non-business coursework for the BBA degree; this flexibility allows us to adjust the electives in the track and reduce degree requirements to 120 hours. Students do not have to complete one additional hour of non-business coursework to meet the sixty hours that were previously mandated.

5. COLLEGE/SCHOOL APPROVAL PROCESS

Department approval date: February 6, 2017
Approved by whom: Undergraduate Program Committee
College approval date: April 26, 2017
Approved by whom: all McCombs faculty
Dean approval date: April 26, 2017
Approved by whom: Dean Jay Hartzell

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 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. The finance track with a required accounting minor is appropriate for students who wish to enhance their understanding of auditing/financial reporting, managerial accounting/control and taxation, and students whose careers will interact with the Controller function of their organization.

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 their website.

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, 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
      iii. Two of the following courses: Finance 366P, 371M, 372, 373, 374S, 376, 377 (Topic 1:
Portfolio Analysis and Management), either 377 (Topic 2: Financial Risk Management) or 377
(Topic 5: Energy Financial Risk Management), and either 377 (Topic 3: Security Analysis) or 377
(Topic 4: Financial Analysis)
   
   b. Energy Finance
      i. Finance 374C
      iii. Two of the following courses: Finance 366P, 371M, 372, 373, 374S, 375F, 376, 377 (Topic 1:
Portfolio Analysis and Management), and either 377 (Topic 3: Security Analysis) or 377 (Topic 4:
Financial Analysis)
   
   c. Investment Management and Banking
      i. Finance 377 (Topic 1: Portfolio Analysis and Management)
      ii. Finance 371M
      iii. Two of the following courses: Finance 366P, 372, 373, 374C, 374S, 375F, 376, either
either 377 (Topic 3: Security Analysis) or 377 (Topic 4: Financial Analysis), and Real Estate 378K

   d. General Finance
      i. 12 semester hours of upper-division coursework in finance; up to six [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.
      ii. An independent research course may not be counted toward the general finance option

   e. Quantitative Finance
      i. Statistics 375 or 375H. Completing this requirement will also fulfill the requirement
for the statistics course listed in item 7.a.v of the BBA degree requirements
      ii. Finance 374C
      iii. Finance 377 (Topic 2: Financial Risk Management) or 377 (Topic 5: Energy
Financial Risk Management)
      iv. 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. 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

   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, 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 six [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 Minor for Business Majors, 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 Minor for Business Majors]

[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].