

Institutional Effectiveness Report: 2009-2010

Economics Assessment Summary

Academic Department or Division: Department of Marketing and Economics

Degree Program: Bachelor of Business Administration (B.B.A.)
Major: Economics

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Assessment Cycle: 2009-2010

Mission: The economics major is designed to give students the basic economics knowledge, skills, and values that build on the foundation provided by the University Core Curriculum and are required for professional careers in business and government.

Student Learning Outcomes Evaluated During This Cycle (Economics Major Educational Outcomes):

Economics majors will:

1. Demonstrate knowledge of macroeconomic concepts and the influence government policies have on the overall economy.
2. Demonstrate knowledge of microeconomic concepts and the influence market structure and government policies have on market outcomes.
3. Demonstrate knowledge of economics concepts in an open economy.
4. Demonstrate knowledge of econometric concepts and use the results to predict and forecast.
5. Utilize quantitative skills to solve economic problems.

Assessments/Measures: A 35-question economics major assessment test was given at the end of Spring Semester 2010 to all students enrolled in ECON 4100 (Managerial Economics), when economics majors have completed most of the required upper-division economics courses. In light of new perceptions of what is important based on current research in economics, the test was redesigned and improved since the previous time it was administered. Each question on the test was linked to a particular economics subfield. The assessment standard was the percentage of questions on the entire test (and separately for each subfield) that was answered correctly by at least 70 percent of the students. The goal was that at least 70 percent of the

questions (for each subfield, and therefore, in total) would be answered correctly by 70 percent or more of the students.

Results/Evidence from the Assessments: Since there are a small number of Economics majors, only 16 students took the test. The purpose of the test was to assess knowledge in these areas: Principles of Macroeconomics (ECON 2105), Principles of Microeconomics (ECON 2106), Research and Analytical Methods (ECON 3000), Mathematics for Economists (ECON 3001), International Economics (ECON 3600), Managerial Economics (ECON 4100), and Intermediate Macroeconomics (ECON 4500). There were seven questions for each area. Several students had not yet completed ECON 3600 and/or ECON 4500. This is an ongoing problem since Economics does not have a capstone course that all Economics majors take last. So the data was re-analyzed for only the 13 students who had taken ECON 3600 and the 5 students who had taken ECON 4500. Thus, knowledge from these courses was assessed only for those students who had taken the course.

The percentage of questions that was answered correctly by 70% or more of the students was as follows:

Principles of Macroeconomics, ECON 2105, Learning Outcome #1 and #3 (partially), 20%
Principles of Microeconomics, ECON 2106, Learning Outcome #2, 20%
Research and Analytical Methods, ECON 3000, Learning Outcome #4, 80%
Mathematics for Economists, ECON 3001, Learning Outcome #5, 20%
International Economics, ECON 3600, related slightly to Learning Outcome #3, 40%
Managerial Economics, ECON 4100, Learning Outcome #2 and #4 (partially), 40%
Intermediate Macroeconomics, ECON 4500, Learning Outcome #1, 60%.

The assessment goal was met in Research and Analytical Methods (80% of the questions were answered correctly by 70% or more of the students) and “almost met” in Intermediate Macroeconomics (60% of the questions were answered correctly by 70% or more of the students). Results were not as good for the other subfields.

In terms of learning outcomes, the percentage of questions that was answered correctly by 70% or more of the students was as follows:

Learning Outcome #1, 40%
Learning Outcome #2, 30%
Learning Outcome #3, 30%
Learning Outcome #4, 60%
Learning Outcome #5, 20%.

Item analysis of the assessment test revealed problems in several specific content areas, including the following: (1) Federal fund rates and discount rates; (2) Policy actions when an economy is experiencing high unemployment and/or high inflation; (3) Theories of international finance and trade; (4) Retention of macroeconomics and microeconomics concepts; and (5) Quantitative skills.

Use of the Results to Make Improvements: Several issues were raised about test design. (1) Since there are only 5 questions in each subfield, 70% of the questions in each subfield cannot be answered correctly unless 80% (4 of 5) of the questions in each subfield are answered correctly. Should subfields be combined to have more questions in each subfield? Some subfields could perhaps be combined in order to get 10 questions in the newly defined area, but other subfields are not very compatible. Or, should the goal be reduced to 60% (3 of 5)? (2) Could the test be given in ECON 4500 each fall and in ECON 4100 each spring and evaluated only for those students who are graduating at the time? This, however, creates another problem – some students would be taking the test twice. If it is *given* only to those who graduate (a subset of each class) in a particular term, then the test might not be taken as seriously. So perhaps the current way of administering the test, though imperfect, is the best. (3) Also, before a test is re-administered, the faculty will consider better ways of aligning learning outcomes with questions and subfields.

Beginning with Fall 2010, the following changes will be made in Principles of Macroeconomics, ECON 2105: (1) More class time will be spent emphasizing the differences between federal fund rates and discount rates; (2) More time will be spent on policy actions and students will be provided additional examples and problems to work concerning policy change scenarios; (3) Handouts will be prepared about how monetary policy works. Even though the test scores for Principles of Microeconomics, ECON 2106, were good, the ECON 2106 professors plan to focus more on the concept of equilibrium, including how it changes if determinants of demand and supply change, and what happens to it if there is government price setting. In International Economics, ECON 3600, more time will be spent on basic theory of international finance, the presentation of different international trade theories will be revised, and the number of quantitative examples of basis-for-trade problems will be increased.

The professor who is teaching Mathematics for Economists, ECON 3001, during Fall 2010 is teaching it for the first time, but is making changes from the previous professor's syllabus. He has added a chapter on macroeconomics. Also, the content that caused the most trouble on the assessment exam is being taught early in the course and will be reinforced throughout the course, presumably more so than in the past, in order to improve student performance. Similarly, the professor who will teach Managerial Economics, ECON 4100, in Spring 2011, will be doing so for the first time. He plans to adopt a new textbook that has more emphasis on applications of various theoretical concepts, while providing a rigorous review of principles of microeconomics. The latter feature will hopefully help some with the fact that students forget a lot of information between the time they took ECON 2106 and the time they take ECON 4100.

In addition, the book provides a useful discussion of how simple econometric techniques can be applied to estimate cost curves, production functions, and demand curves.

In Intermediate Macroeconomics, ECON 4500, the following changes are being made during Fall 2010: (1) The number of quantitative problems is being increased and quantitative skills will be continuously reinforced throughout the semester; (2) The presentation of policy analysis is being modified by introducing concepts earlier in the semester and providing additional application exercises.

Department Head	Date	Dean	Date	VPAA	Date
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Adapted from: University of Alabama SACS site (<http://sacs.ua.edu/degreeInfo2.cfm?college=2&dept=50>) and

University of Western Kentucky SACS Accreditation Review Process (<http://www.wku.edu/sacs/assessmentmanual.htm>)

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