

Assessment Grant

ETS Major Field Test in Business

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Assessment Grant

- **Purpose: Use Standardized Exam to Assess Learning of Finance Students**
- **Standardized Exam is ETS Major Field Test in Business**
- **For 2006-2007 Academic Year**
- **Funds requested = \$3,475**

ETS Major Field Test

ETS

- Previously Educational Testing Service
- Non profit organization
- Founded in 1947
- Administers SAT and GRE

From ETS web site.

ETS Major Field Test

The Major Field Tests are

- Innovative undergraduate and MBA outcomes assessments
- Designed to measure the basic knowledge and understanding achieved by students in a major field of study.

From ETS web site.

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Test results

- Enable academic departments to better assess and refine curricula
- Gauge the progress of students compared to others in the program and those in similar programs at schools throughout the country.

From ETS web site.

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The Major Field Test in Business is designed to measure a student's

- Subject knowledge
- Ability to apply facts, concepts, theories and analytical methods

From ETS web site

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The questions represent a wide range of difficulty and cover depth and breadth in assessing students' achievement levels

From ETS web site

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Exam Features:

- 120 multiple choice questions
- 2 hour time limit
- No calculator
- Can be online or on paper (we gave it on paper)
- Usually given to seniors (we had some juniors)

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More Exam Features:

- ETS creates the exam questions and grades it.
- Optional questions can be added (we did not add any)
- Schools choose when and where to give the exam.

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9 Business Areas:

- Accounting
- Economics
- Management
- Quantitative Business Analysis
- Finance
- Marketing
- Legal and Social Environment
- Information Systems
- International Issues

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Sample Finance Question:

A firm that would like to know whether it has enough cash to meet its bills would be most likely to use which category of financial ratio?

- (A) Liquidity
- (B) Leverage
- (C) Efficiency
- (D) Profitability

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Features of Exam given to Western finance students:

- **Given, Spring 2007, 2nd & 3rd Weeks**
- **Students in two sections of FIN 3450, Computer Applications in Finance**
- **Students in one section of FIN 3730, Retirement Planning and Employee Benefits.**
- **Number taking exam = 94**

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Student Incentives:

- **Score counted for 8% of course grade, if total course points 1,000, exam worth 80 points (students told before exam)**
- **Lowest ETS score given 50 points (this info revealed after the exam).**

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Info for 94 students

- **GPA:**

- **Average = 3.06**

- **Max = 4.00**

- **Min = 1.98**

- **Credit hours**

- **Average = 99.3**

- **Max = 166**

- **Min = 65**

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Results:

- Overall average for 94 students is 157 (test scores scaled from 120 to 200)
- Ranking, 70th Percentile (or top 30%)
- Max score = 186, 95th Percentile
- Min score = 133, 5th Percentile
- Median score = 156, 65th Percentile

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Results:

- ETS Percentile ranking is based on scores for 8,986 students at 182 institutions that took the exam between August and December 2006.
- Students include all business majors
- All percentile increments are 5 units, except 1% to 5%.
- Mean for all institutions = 152.5.

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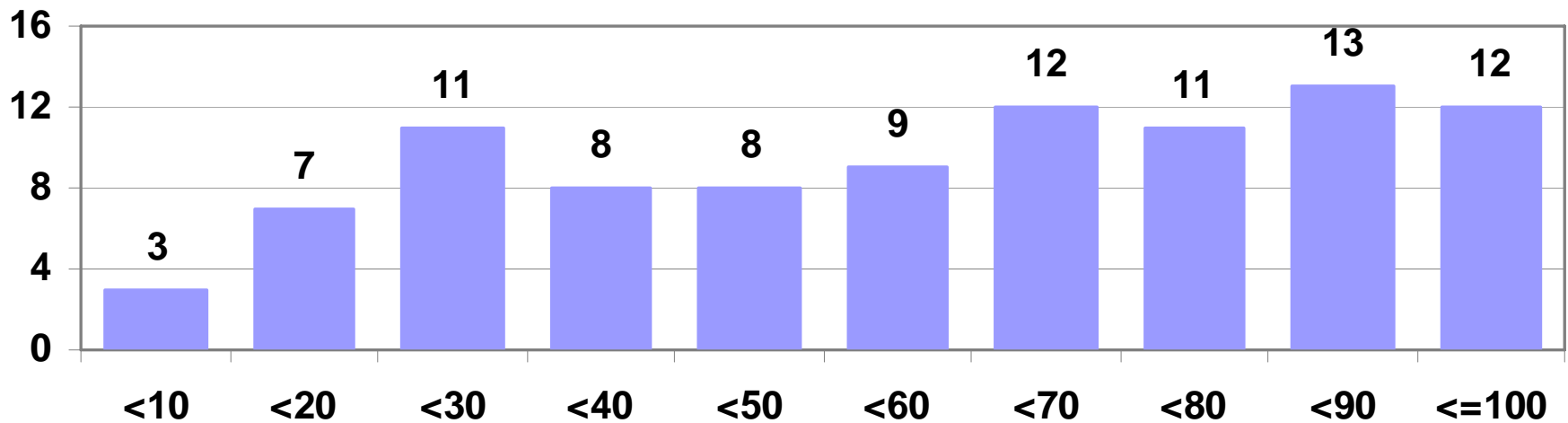
More Results:

- 12 of 94 students scored in the 90th percentile or higher
- Max score = 186, 95th Percentile
- Min score = 133, 5th Percentile
- Median score = 156, 65th Percentile

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More Results:

Frequency Distribution of Percentile Scores



Percentile score: <20 means from 10th up to but not including 20th percentile

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4 Areas Crucial to Finance Students

Area	Mean Correct	Percentile
Finance	68	95 th
Accounting	56	75 th
Economics	56	85 th
Quantitative	52	75 th

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More Results:

- Mean score for 69 students with 88 or more credit hours = 158.3
- Mean score for 25 students with less than 88 credit hours = 153.3
- t-stat for $\mu_{\text{seniors}} = \mu_{\text{not seniors}} = 1.82$

88 hours = Senior status

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Regression:

**Dependent Variable = Scaled test
score**

**Independent variables = Scaled total
credit hours and grade point average**

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Regression Results:

- **Coefficient for scaled credit hours**
 - Estimate = 6.95
 - Two tail p-value = 0.15
- **Coefficient for grade point average**
 - Estimate = 16.70
 - Two tail p-value = 0.00

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Future:

- **Haworth College of Business assessment committee is suggesting the ETS Exam**
- **Showed result to Economics department. It is now considering the economics version of the ETS Exam**

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Thanks

- **To the Western Michigan University for the funding**
- **To Eileen Evans, Vice Provost for Institutional Effectiveness, for invaluable assistance.**