

# KENT STATE UNIVERSITY CERTIFICATION OF CURRICULUM PROPOSAL

Preparation Date **1-Dec-14** Curriculum Bulletin \_\_\_\_\_

Effective Date **Spring 2015** Approved by EPC \_\_\_\_\_

Department **Finance**  
College **BU - Business Administration**  
Degree **MS - Master of Science**  
Program Name **Financial Engineering** Program Banner Code **FEM**  
Concentration(s) \_\_\_\_\_ Concentration(s) Banner Code(s) \_\_\_\_\_  
Proposal **Inactivate program**

Description of proposal:

**To inactivate the MS in Financial Engineering program, which was suspended as of AY2012-2013.**

Does proposed revision change program's total credit hours?  Yes  No

Current total credit hours: \_\_\_\_\_ Proposed total credit hours \_\_\_\_\_

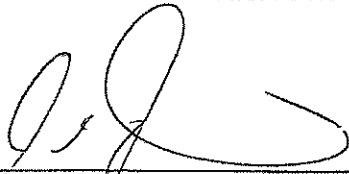
Describe impact on other programs, policies or procedures (e.g., duplication issues; enrollment and staffing considerations; need; audience; prerequisites; teacher education licensure):

**Admission to the program was suspended in 2012, and there are currently no students enrolled in the program. We have discontinued offering courses that were unique to the program.**

Units consulted (other departments, programs or campuses affected by this proposal):

**Department of Mathematical Sciences; Department of Economics**

### REQUIRED ENDORSEMENTS

  
\_\_\_\_\_  
Department Chair / School Director

12/08/2014

\_\_\_\_\_  
Campus Dean (for Regional Campuses proposals)

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\_\_\_\_\_  
College Dean (or designee)

12/09/14

  
\_\_\_\_\_  
Dean of Graduate Studies (for graduate proposals)

12/15/14

\_\_\_\_\_  
Provost and Senior Vice President for Academic Affairs (or designee)

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**Financial Engineering-suspended - M.S.**  
 Kent State University 2014 Catalog > College of Business Administration > Graduate Programs > Financial Engineering-suspended - M.S.

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Admission to the program has been temporarily suspended as of fall 2012.

College College of Business Administration

**Resources**

**Department** Department of Mathematical Sciences  
 Mathematics and Computer Science Building  
 E-mail: [math@math.kent.edu](mailto:math@math.kent.edu)  
 Tel: 330-672-2430  
 Fax: 330-672-2209  
 Web: [www.kent.edu/cas/math](http://www.kent.edu/cas/math)

- Program Requirements
- College Policies
- Academic Policies

**Department of Finance**

Room 404, Business Administration Building  
 E-mail: [finance@kent.edu](mailto:finance@kent.edu)  
 Tel: 330-672-2426  
 Fax: 330-672-8806  
 Web: <http://www.kent.edu/business/finance/index.cfm>

**Description** The interdisciplinary Master of Science in Financial Engineering is for those with strong quantitative backgrounds who have career goals of becoming risk management officers, derivatives analysts or traders. The program is rigorous and requires the completion of 36-credit hours of coursework, including an industry-based project. The curriculum meets the guidelines established by the International Association of Financial Engineers.

The Financial Engineering program also partners with the WISE Institute at Xiamen University in China to offer a concentration in Financial Engineering Quantitative to students who first enroll at Xiamen for one year. These students take extensive coursework in Finance, Math and Economics topics to prepare for the program. Since their preparation covers some coursework in the program, they are on a second track or concentration in this degree. Other than these coursework differences, the program is the same.

The program is a demanding one, and requires the completion of 36 credit hours of coursework, including an industry based internship. It combines strong quantitative skills from mathematics, including probability theory and numerical computing, with risk management and dynamic valuation skills from finance. The program emphasizes applied skills in the area of financial engineering, while still providing the necessary theoretical background. The coursework was designed by an industry advisory board of leading investment banks and financial firms. The board works closely with faculty to revise the content regularly. For a list of current MSFE Advisory Board Members please see [www.business.kent.edu/msfe](http://www.business.kent.edu/msfe).

The on-campus electronic Olga A. Mural Financial Engineering Trading Floor allows students to receive hands-on experience in derivatives trading and risk management. Kent State has the only derivatives-oriented trading floor in an academic institution with direct connections to the futures exchanges. The trading floor is equipped with the same software used by major investment banking firms. Live exchange data feeds and real-time market information allow students to simulate real trading. The software includes Trading Technologies X Trader, Pat systems, and SunGard's MicroHedge options analytical product. Data feeds from CQG and Reuters provide continuous news and pricing information. At the front of the trading floor is a data board that provides real-time pricing information on derivatives. Students use this information to assess market conditions for trading tendencies. Live satellite feeds are shown on plasma displays.

This unique trading floor is an integral part of the MSFE program at Kent State University. Since students use the same data feeds and trading software that are used by major investment banking firms, the trading floor allows them to replicate dynamic trading strategies and derivative security analyses.

An industry-based internship is assigned. The project will involve direct interaction with a contributing firm. The student will undertake a ten-week internship to complete the required project with a firm in the financial community. The project will be presented to the program faculty for final evaluation. Prior participating firms include the Chicago Board of Trade, Eurex, Prabon Yamane, State Street Research, KeyBank, SunGard, FirstEnergy, Goldman Sachs, and ICAP. Students are given opportunities to network with top industry officials. The class visits both the Chicago and New York financial districts to interact with professionals in the derivatives field.

**Admission Requirements** Official transcript(s), GMAT or GRE, resume and TOEFL, IELTS, MELAB or PTE, if applicable. Also required for the major but not for the Financial Engineering concentration are a goal statement and three letters of recommendation.

**Graduation Requirements** Minimum of 36 total credit hours.

Financial Engineering Quantitative requires a minimum of 32 total credit hours.

**Accreditation** The Association to Advance Collegiate Schools of Business



**College of Business Administration**

**Kent State University**

**Interdepartmental Memo**

To: Mary Ann Stephens, Dean, Graduate Studies  
From: Donald Williams, Interim Associate Dean  
Date: December 9, 2014  
Subject: Proposals for EPC Agenda

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The Graduate Council of the College of Business Administration has approved the following curricular proposals, effective Fall 2015. Please place these items on the agenda for the next EPC meeting.

**Master of Science in Financial Engineering**  
Inactivate program

**ENTR 65051 Technology Commercialization (3 cr.)**

Establish course

The CCP and supporting materials for the MSFE program inactivation are attached. The ENTR course proposal has been submitted through CurricuNet. A copy is attached for your information.

Cc: Therese Tillett, Curriculum Services  
Dr. Steven Dennis, Finance  
Dr. Pamela Grimm, Marketing and Entrepreneurship



**Board of Regents**  
University System of Ohio

John R. Kasich, Governor  
John Carey, Chancellor

## PROGRAM INACTIVATION FORM

**Date of submission:** December 1, 2014

**Name of institution:** Kent State University

**Title of program to be inactivated:** Master of Science in Financial Engineering

**Date that the inactivation received final approval from the appropriate institutional committee:** [BOARD OF TRUSTEES DATE]

**Primary institutional contact for the notification:**

**Name:** Therese E. Tillett  
**Title:** Director, Curriculum Services  
**Phone:** 330-672-8558  
**E-mail:** ttillet1@kent.edu

**Educator Preparation Programs:**

Program leads to licensure: No

Program leads to endorsement: No

**1. Provide the rationale for the inactivation of the program:**

In fiscal years 2010 and 2011, the revenues associated with the MSFE program were about \$275,000 to \$425,000 less than expenses in each fiscal year. The huge deficit was largely caused by fixed costs associated with the trading floor. Attempts were made to both increase revenues and to decrease costs, but these attempts were largely unsuccessful. Interim Dean Kathryn Wilson met with the MSFE Program Committee twice in the fall of 2011 to entertain methods of keeping the program afloat, but all proposals resulted in losses under our RCM budgeting system. Dean Wilson then met with the College of Business Operating Committee (consisting of department chairs and dean's office personnel) to discuss the program. All members but one of that committee voted to suspend the program. Dean Wilson then called a special meeting of the College Advisory Committee (CAC), and the vote was unanimous at the CAC to suspend the program. Dean Wilson then sought and received approval from the Provost to suspend the program. Current and former students in the program were then informed that the program would be suspended indefinitely beginning in the 2012-2013 academic year.

**2. Indicate number of students currently enrolled in the program:** None; suspended enrollment in the program as of AY 2012-2013.

**3. Describe how the inactivation of the program will affect students currently in the program and explain plans for notifying students and assisting them in the completion of their degrees:** All students have now exited the program.

4. **Will there be a loss of faculty or staff positions because of the inactivation of the program? If so, indicate when the faculty or staff members were or will be informed.**  
When the program was suspended, one Non-Tenure Track Faculty Member was not reappointed and other faculty members were redeployed to other teaching roles. There are no more planned changes as a result of the inactivation of the program.
5. **Describe the plan for communicating the inactivation of the program, including changes to the college catalog and college website and communications with advisors, admissions officers and financial aid officers:**  
The program will be eliminated from the course catalog and all advisors, admission officers, and financial aid officers will be informed of the inactivation via email.
6. **Indicate the final date that the program will be operational:**  
As there are no students currently in the program, it ceases when the Board of Regents makes the final decision.

Respectfully,

Todd A. Diacon, PhD  
Senior Vice President for Academic Affairs and Provost  
Kent State University

**WILLIAMS, DONALD**

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**From:** TONGE, ANDREW  
**Sent:** Tuesday, December 02, 2014 5:01 AM  
**To:** Dennis, Steven; HALEY, MARY ANN  
**Cc:** WILLIAMS, DONALD; zvavitch@math.kent.edu; wwright@math.kent.edu  
**Subject:** Re: Financial Engineering

The Department of Mathematical Sciences supports the proposal to inactivate the Master of Science in Financial Engineering program. This program was run jointly by Finance, Mathematical Sciences, and Economics for several years. It experienced difficulties and was put on hold some time ago. There have been no enrollments for the last 3 years.

Andrew Tonge  
Professor and Chair  
Mathematical Sciences

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**From:** Dennis, Steven  
**Sent:** Monday, December 1, 2014 1:13 PM  
**To:** HALEY, MARY ANN  
**Cc:** WILLIAMS, DONALD; TONGE, ANDREW  
**Subject:** RE: Financial Engineering

Thanks Mary Ann. I'll work with Andrew going forward.

Steve

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**From:** HALEY, MARY ANN  
**Sent:** Monday, December 01, 2014 1:11 PM  
**To:** Dennis, Steven  
**Cc:** WILLIAMS, DONALD; TONGE, ANDREW  
**Subject:** RE: Financial Engineering

Hello Steve,

You should work with the Department of Mathematical Sciences. Andrew Tonge is the Chair. I have copied him here. We are almost at the deadline for fall 2015 but you will need a CCP, Proposal Summary and then just print the catalog copy and strike it out in red. I believe Mathematical Sciences will be happy for this to happen and should write a letter of support. They can print and strike the references to it on their pages too and you can include those in your proposal.

Regards,  
Mary Ann

Mary Ann Haley, Ph.D.  
Associate Dean  
College of Arts and Sciences  
Kent State University  
105 Bowman Hall  
330-672-8968