

CREATING AN AACSB TECHNOLOGY CLASS FOR FINANCE MAJORS UTILIZING BLOOMBERG, EDGAR, YAHOO FINANCE, AND MICROSOFT EXCEL

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ABSTRACT: In an attempt to attract students and showcase technology, many “Trading Rooms” have been, or are in the process of completion as Schools of Business across the country. During the planning and construction phases, research showed that while admissions departments loved Trading Centers and utilized them as recruitment tools, acceptance and utilization by faculty has many times been more sporadic. This paper addresses these issues from the point of view of students, faculty and administration of an AACSB accredited School of Business of a University in Pennsylvania.

INTRODUCTION

This paper is a case study of creating an AACSB Technology class for finance majors utilizing Bloomberg, Edgar, Yahoo Finance, and Microsoft Excel. As the planning process continued for building the course, we reviewed plans for the new business building with what we felt were the most important School of Business stakeholders. These stakeholders included students, faculty, administration, and the department professional advisory boards which we believed to be a good representation of prospective employers. Informal and formal responses were elicited from each of these groups and the results are summarized below.

Students: The student responses seemed to be more associated with the style and amenities of the building including dedicated meeting space for student group work, better access to technology, and more open classrooms.

Faculty: While much if not all of the faculty reflected the same desires as the students, a number of the faculty went beyond these requests to include business related items such as a meeting area or lounge with business publications and a business centric interactive news wall - an area where business students could meet and talk about the business world. The

Finance department, and to a somewhat lesser extent, the Accounting department wanted an increased use of business technology which became focused on Bloomberg.

Administration: While all stakeholders desired to increase the ability to provide the industry with better prepared employees, administration provided some more pragmatic goals. The School of Business is the largest school in the University and yet it had no signature building. The new business building was to be that building and the “Trading Room” was to be the showcase.

Professionals: After discussions with finance professionals, it was apparent that Bloomberg was not only on the leading edge of technology, but truly required technology for all finance students to learn. The professionals also had a very positive response to basing the course on Excel.

The Advisory Board for the Finance Department representing some of the biggest employers of the region fully supported the need for and use of Bloomberg. The following comment made an Advisory Board member summarizes the need for building the course: “graduating finance majors need more than a simple working knowledge of Excel... The ability to utilize Excel is as important as the ability to read”.

In addition, Bloomberg comes at a fairly high price and considering some schools may choose not to purchase the service, the authors felt it was important to include additional sources of information including EDGAR, and Yahoo Finance. With regards to Yahoo Finance which is free, some instructors may question the accuracy of its information, however a study by (Flanegin, et al 2009) suggested that Yahoo Finance data was an acceptable transitory substitute for CRSP for research purposes.

AACSB requires all School of Business students take a “technology course” and for many schools this requirement is fulfilled by a very general course that has sufficient breadth for all majors but very limited depth for any individual major. On occasion one may find institutions that have a management information systems class for management and marketing majors and an accounting information systems class for accounting and possibly finance students, but very few have a technology course specifically designed for finance majors.

DESIGN STAGE

This paper reviews the design and implementation of a technology based course for finance majors that incorporates the needs of the students, faculty, administration and the future employers. As Lee Schlenker and Adam Mendelson stated in their 2008 BizEd article “Technology at Work”

“Many schools have added technology components to their programs. But we believe these computer-aided programs are valuable only when they link content and software directly to real-world business. We refer to this approach as work-based pedagogy that relies on authentic technology. By teaching students to use workplace technologies most effectively, we can better prepare them to work, communicate, and interact in the 21st-century workplace.” To this end we have designed a Finance Technology course that integrates the sources of financial data, Bloomberg, EDGAR, and Yahoo Finance with the Excel spreadsheet and modeling skills required in today’s marketplace. As Schlemker and Mendelson stated “We believe that technology should not be used to make the classroom more virtual, but to make the classroom more corporate”

After numerous discussions, the finance department arrived at a broad outline of the material believed to be important to better prepare our students for the work place; however, additional consideration was given to this class since it is one of the first finance classes taken and hence it must also provide students with the basic skills needed for the higher level finance classes. The Course Outline below was designed for a 15-week class by a team of Finance faculty.

COURSE OUTLINE

Week	Review Chapters	Homework, Problems and Questions listed are due on the following week.	Materials to be covered & Special Instructions
1	Chapters 1, 2, and Bloomberg	Bloomberg Assignment	Basic Financial Statements Overview of Bloomberg
2	Chapter 3, Yahoo Finance	Yahoo Finance, Bloomberg Assignments Download	Cash Budgets Overview Yahoo Finance
3	Chapter 4,	Worksheets* for Chapters 1, &2 Bloomberg Review	Financial Analysis Bloomberg assignment
4	Chapter 5	Yahoo Finance Review Project # 1 Company Assigned	Financial forecasting
5	Chapter 6	Worksheets* for Chapters 3, & 4	Break Even and Leverage
6	Chapter 6	Worksheet* for Chapter 5 No Class Feb 20 Finish Project # 1	Project #1 emailed by close of business Friday (5:00pm)
7	Chapter 7	Worksheet* for Chapter 6 due Midterm 2/26/14	Time Value of Money Take home portion passed out
8	Chapter 8	Take Home Portion of Midterm Due 3/4/14	Common Stock Valuation Use Of Edgar
9	Chapter 9	Worksheets* Chapters 7, & 8 due	Bond Valuations
10	Chapter 10	Edgar Financial Statement	Cost of Capital Marginal WACC
11	Chapters 11	Worksheets* Chapters 9 & 10 due	Capital Budgeting with Excel
12	Chapter 12	Project 2 due end of the week	Risk Capital Budgeting Sensitivity and Scenario Analysis
13	Chapter 12	Worksheet* Chapter 11 due	Monte Carlo Simulations
14	Chapter 13		Portfolio Statistics Take Home Portion distributed
15 15	Work Sheet Chapter 13 due Mon	FINAL Take Home Portion Collected	FINAL EXAM

The above course reviews the most important areas of Finance, including Time Value of Money, Stock and Bond Valuation, Financial Analysis, Capital and Cash Budgeting, Forecasting, and even Duration and Convexity.

It is by integrating all of those functions into one class that we can provide our students with the training and knowledge not only needed in today's financial work place, but also the skills needed to perform to a higher standard in classes such as Investments, Corporate Finance, International Finance, and Financial Analysis.

THE MANUAL

Students are provided with a 30 page "manual" containing actual screen shots of each step needed to acquire the financial information from the three sources utilized in the class. Below we have provided the first screen shot of each section of the manual. Full copy of the manual is available upon request to flanegin@rmu.edu

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YAHOO FINANCE

While Yahoo finance does not present the depth and breadth of information available from the SEC and EDGAR, it does provide a relatively simple process of basic financial information. Information available includes financial statements and price and volume data.

The screenshot shows the Yahoo! Finance homepage. At the top, there's a navigation bar with 'HOME', 'INVESTING', 'NEWS', 'PERSONAL FINANCE', 'MY PORTFOLIOS', and 'EXCLUSIVES'. Below this is a search bar and a 'Get Quotes' button. The main content area features a 'PRESIDENTIAL DEBATE WRAP-UP REPORT' with a line chart showing market performance. To the right, there's a table of market data:

S&P	1,450.29004	Nasdaq	3,105.53	Dow	13,540.87	Oil	91.870003	10-Year Bond	1.80	EUR/USD	1.3125	Gold	1,752.20
Europe	5.37		4.36		-10.91		-0.22		0.08	0.00	0.00	5.90	
Asia	+0.37%		+0.14%		-0.08%		-0.24%		+4.48%	+0.23%		+0.34%	

Below the market data, there are several news articles and advertisements. One article is titled 'Ex-Citigroup CEO Vikram Pandit Wasn't Ready to Leave'. Another is 'Can the Energy Rally Withstand a Revived Obama?'. There are also advertisements for Fidelity and Intel.

BLOOMBERG

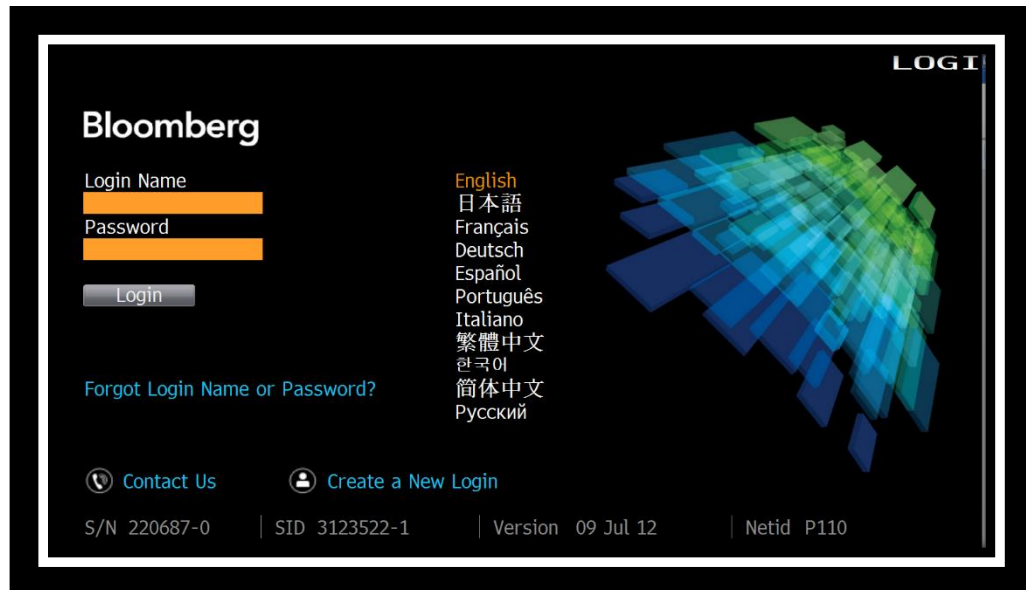
To access Bloomberg, you must first be logged into a University Bloomberg Terminal. Bloomberg can be accessed by clicking on the Bloomberg Icon of the Window's Desktop.



You have just entered the Bloomberg Program. Next you must press enter to create an account.

Creating an Account

From the Bloomberg Home page, press enter to begin the login process. It should bring you to the following page. From this page, please click, "Create a New Login" and follow the instructions below.



CONCLUSION

We have provided a brief outline of a Finance Technology class with a goal of making a Trading Center a hands on integrative learning experience.

Future Work: Our next step is a class on Technical Analysis and Trading. While finance professors can argue on the theoretical correctness of technical analysis, Flanegin & Rudd 2005 showed that from a practitioners standpoint and at a 1% statistical significant level finance professionals utilize technical analysis and investment professors are spending little if any time on the subject.

REFERENCES

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