

COLLEGE OF BUSINESS STUDIES

Response to the External Evaluation Report by the Evaluation Committee on the BSc in Accounting, Banking and Finance

(BScABF)

The College expresses its gratitude to the Evaluation Committee for its efforts and welcomes its constructive comments on the submitted programme. The Evaluation Committee has made a number of comments and recommendations on our submission. These, together with our relevant responses, where needed, are set below:

FINDINGS

1. EFFECTIVENESS OF TEACHING WORK – AVAILABLE RESOURCES

- Organization of Teaching Work - Teaching - Teaching personnel

The content of courses and teaching methods of the proposed program seem quite satisfactory.

The number of teaching staff is adequate, although more full-time academic staff with a Ph.D. qualification and a track record of publications in mainstream academic journals, should be appointed.

Our response:

Agreed. As already stated by the College's academic advisors, a number of academicians with PhDs in relevant areas and with a track record of publications (Four of them appeared before the Evaluation Committee) are waiting for the outcome of the evaluation of the College and are seriously considering taking up full-time positions at the College once it is ready to operate.

2. PROGRAM OF STUDY AND HIGHER EDUCATION QUALIFICATIONS

- Purpose and Objectives and learning outcomes of the Program of Study - Structure and Content of the Program of studies - Quality Assurance of the Program of studies - Management of the Program of Study - International Dimension of the Program of Study - Connection with the labor market and the society.

The purpose, objectives, learning outcomes, structure and content of the program are appropriate and clearly defined. There is sufficient provision of quality assurance and management of the program. At this stage, no strong international links of the program have been established. The content of the program has good prospects for the employability of its graduates to the labor market.

Our response:

Agreed and no further action needed.

3. RESEARCH WORK AND SYNERGIES WITH TEACHING

- Research Teaching Synergies

At this stage, the College is mostly a teaching oriented institution. However, given the strategy of the College to become a university at a later stage, there are some attempts to strengthen the research culture of the institution, namely the provision for allocating 20% of profits to research. This would allow research to play a more important role in teaching.

Our response:

Agreed. Once the college starts its operations, a number of academics will be recruited on a full time basis and this is expected to develop further the necessary research culture of the College.

4. ADMINISTRATION SERVICES, STUDENT WELFARE AND SUPPORT OF TEACHING WORK

- Administrative Mechanisms - Infrastructures / Support - Financial Resources

The administrative services are appropriate for the size of the CBS and seem to be in a position to support effectively the proposed program of study.

The infrastructure of the College is appropriate and sufficient to support the successful operation of the proposed program.

The tuition fees seem reasonable and competitive. With the expected student intake the program should generate sufficient financial resources. Additionally, there are major shareholders who are committed to support financially the College.

Our response:

Agreed. No further action needed

5. DISTANCE LEARNING PROGRAMS

Not Applicable.

6. DOCTORAL PROGRAMS OF STUDY

Not Applicable.

CONCLUSIONS AND SUGGESTIONS OF THE EXTERNAL EVALUATION COMMITTEE

Below we set out our remarks and suggestions for the improvement of the proposed program.

REMARKS

- The program is well structured and well designed to link with the needs of the market in the accounting and banking sector. More specifically, the program offers the opportunity to students to receive 3 main benefits. Upon completion of their studies, students may obtain: a) Bachelor's Degree; b) Exemption of up to 9 Fundamental modules from the ACCA qualification; and c) the professional qualification offered by the American Banking Association (subject to the selection of a specific number of elective banking modules). This offers a comparative advantage to the program relative to similar programs offered by other institutions.
- However, the Finance and Banking components need to be strengthened in the early semesters, so that there is a stream in all 3 disciplines in the first year, which builds up in subsequent years.
- The general infrastructure (e.g. teaching rooms and computers) seems appropriate at the moment, though some facilities such as the library needs to get enriched in the future. The teaching rooms are well equipped with computers and projectors. However, there is a lack of space for offices for full time academic staff, which is considered essential.

Our response

Regarding the offices for full time academic staff, we provide a conference room which is going to be used only by the academic staff, another conference room available for their meetings with the students and a space with three offices available. We understand the significance of this matter, however, we currently believe that taking into account the capacity of 350-400 students in this College, the space available for the academic staff is sufficient. Obviously, depending on the capacity of the students we will attract, and the academic staff requirements, we are more than willing and prepared to expand or rent an accessible space.

- CBS is currently a teaching Institution (College), with an aspiration to strengthen research and become a University. We should give credit to the management for the decision to allocate 20% of the profits for research purposes.

SUGGESTIONS

- *The content of the program mirrors the ACCA qualification and is heavily driven by Accounting courses. Although the title of the program is “Bachelor of Science in Accounting, Banking and Finance”, there are few Finance courses in the program, while Banking courses are only offered as electives at a later stage of the program. Currently, the title of the program does not reflect its true content. We strongly recommend that introductory core courses in Banking and Finance are included in the early semesters (e.g. Principles of Banking and Foundations of Finance).*

Our response

Agreed. Following the recommendations of the Committee we have now made a number of banking and finance electives compulsory (and made some of the compulsory non-accounting, non-banking and non-finance modules electives. (See Appendix B for updated semester modules allocation). It is important to note that no new modules have been introduced to the ones evaluated by the Committee and no changes have been made to any of these modules apart from the aforementioned change from compulsory to elective and vice versa in order to comply with the recommendation of the Committee. In Appendix A all the modules moved either from elective to compulsory or from compulsory to electives are shown in red. Also note that in the case of the module Introduction to Financial Analysis, this has been moved from fourth semester compulsory to first semester compulsory and its code has been changed from FIN201 to FIN101. No other changes have been made to this module.

- *More staff with Ph.D. qualification and experience should be appointed and that will improve the academic content of the program. The research culture in CBS should be improved and appropriate mentoring should be available to junior staff by appropriately qualified and experienced researchers.*

Our response:

Agreed. As already explained verbally to the Evaluation Committee, a number of the academic advisors and part-time teaching staff are PhD holders currently working at other Universities, holding the title of Assistant or Associate Professors. The management of the College is currently negotiating with them the terms of their transfer to the College as full time academics.

- *The setting up of an external academic advisory committee would be beneficial for the improvement of teaching and learning, and the cultivation of research culture at CBS.*

Our response:

Agreed. Already the College has hired the services of two Associate Professors as external advisors to assist both with the College application and evaluation procedures as well as

with the organizing of the College into an academic institution that will soon be in a position to apply for University status. The new academic recruits following the start of College operations together with the external academic consultants aim, among other things, to help cultivate this research culture. The management of the College will see to it that the appointment of the two academic advisors during the last eight months is just the first step in setting up a more permanent external academic advisory committee.

- *The academic staff should have a clearer career path for professional development and progress.*

Our response:

Agreed. Once the College starts its operations, academics will be recruited both on a full time and part-time basis. Full time academics will be financially supported, since 20% of the profits will be allocated for research purposes, to encourage new research. Funded research pushes individuals in academia to become more career oriented and focus on their professional development and progress, something that is enhanced with research.

- *The library's inventory of books and periodicals, printed or electronic, should be enriched.*

Our response:

Agreed. The CBS's library consists of a wide range of books (approximately 1000 books). The collection includes books from our former cooperation with Kingston University and all the books needed for the first year of all programs of study. In the meantime, we are currently expecting the books that will be used in the second year to be delivered and we are in the process of ordering the books for the third and fourth year of study.

Moreover, students will have access to numerous digital libraries, electronic journals and databases. For instance, Emerald, manages a portfolio of nearly 300 journals, more than 2,500 books and over 1,500 teaching cases. Also, it supports partners with a range of services that help convert peer reviewed papers into professional publications both in print and online. Students in our college will be able to find 6 million articles from over 1500 journals, over 20,000 books and hundreds of reference works, laboratory protocols and databases from the Wiley Online Library. A lot of research has been made by the librarian of our college in order to provide students the easiest and most updated tools for research or study purposes. JSTOR is another well-known digital library, with a variety of academic journals, books and primary sources. Finally, AEA is a non-profit association dedicated to the discussion and publication of economics research, a field extremely significant to the students of this college.

1.3 Teaching personnel

The qualifications of the teaching staff cover the legal requirements in place. There are some staff members with a Ph.D. qualification and some others who are in the process of getting a Ph.D. There is no observable research tradition in the College and there is no record of publications by staff in high quality internationally recognized academic journals, with some minor exceptions.

Our response:

As already explained verbally to the Evaluation Committee, a number of the academic advisors and part-time teaching staff are PhD holders with a good history of publications in academic journals on relevant subject matter to the programme under review. They are currently working at other Universities, holding the title of Assistant or Associate Professors. The management of the College is currently negotiating with them the terms of their transfer to the College as full time academics as soon as the College license is obtained. In addition to those academics already met and interviewed by the Evaluation Committee serious efforts are made to attract academics on a full time basis from other academic institutions with emphasis given to their publication history.

2.2 Structure and Content of the Program of Study

Overall, the structure and content of the program are designed to meet the criteria for exemptions from the 9 Fundamental modules of the ACCA qualification as well as offering students the opportunity to obtain a professional qualification from the American Banking Association. We note that the content mirrors the ACCA qualification and is heavily driven by Accounting courses, while there are Banking courses offered, but only as electives at later stages of the program. Yet, the title of the program is Bachelor of Science in Accounting, Banking and Finance. This title does not reflect the true content of the program. We strongly recommend that introductory core courses in Banking and Finance are included in the early semesters (e.g. Principles of Banking and Foundations of Finance). We also note that more business valuation aspects should be included in the module “Financial Analysis and Business Valuation”, so that the title of the module better reflects the content offered.

Our response:

We agree and as already explained earlier, a number of banking and finance modules have now been moved from elective to compulsory status in compliance with the Committee’s recommendations. Regarding the recommendation about the module “Financial Analysis and Business Valuation” the syllabus has been adjusted in order to facilitate the above recommendation. (See Appendix B)

4.2 Infrastructure/support

The general infrastructure seems appropriate with some high-tech pieces of equipment available. The library needs to be enriched with some more up to date textbooks and other material. Nevertheless, we note that the College has a collaboration with the European University of Cyprus, which is located close by, and the students can use their facilities and library.

Our response:

Agreed and as we explained above the CBS's library has a wide range of approximately 1000 books. The collection includes books from our former cooperation with Kingston University and all the books needed for the first year of all programs of study. In the meantime, we are currently expecting the books that will be used in the second year to be delivered and we are in the process of ordering the books for the third and fourth year of study.

Moreover, students will have access to numerous digital libraries, electronic journals and databases. For instance, Emerald, Wiley Online Library, JSTOR. An equally important matter is the fact that the library involves plenty available space necessary for students to prepare and succeed in their programs of study.

Please do not hesitate to contact us with any further queries

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The academic director

APPENDIX A

A/A	Module Type	Module Title	Module Code	Periods per Week	Period Duration	Number of weeks/Academic Semester	Total Periods/Academic Semester	ECTS
1st Semester								
1.	Comp.	Principles of Microeconomics	ECO101	3	50 min	15	42	6
2.	Comp.	English Instruction in Expository Writing	ENG100	3	50 min	15	42	6
3.	Comp.	Computer Fundamentals and Applications	CSC100	3	50 min	15	42	6
4.	Comp.	Introduction to Financial Accounting	ACC101	3	50 min	15	42	6
5.	Comp.	Introduction to Financial Analysis	FIN101	3	50 min	15	42	6
2nd Semester								
1.	Comp.	Principles of Macroeconomics	ECO102	3	50 min	15	42	6
2.	Comp.	Introduction to Managerial Accounting	ACC102	3	50 min	15	42	6
3.	Comp.	Introduction to Business Mathematics	MAT101	3	50 min	15	42	6
4.	Comp.	Principles of Banking	BAN101	3	50 min	15	42	6
5.	Comp.	Introduction to Business	BUS101	3	50 min	15	42	6
3rd Semester								
1.	Comp.	Business Writing	ENG201	3	50 min	15	42	6
2.	Comp.	Commercial Lending	BAN202	3	50 min	15	42	6
3.	Comp.	Financial Reporting	ACC201	3	50 min	15	42	6
4.	Comp.	Financial Analysis and Business Valuation	ACC202	3	50 min	15	42	6
5.	Comp.	Elective		3	50 min	15	42	
4th Semester								
1.	Comp.	Managerial Finance	FIN202	3	50 min	15	42	6
2.	Comp.	Business Statistics I	MAT201	3	50 min	15	42	6
3.	Comp.	Business Law I	LAW301	3	50 min	15	42	6
4.	Comp.	Consumer Lending	BAN203	3	50 min	15	42	6
5.		Elective		3	50 min		42	6
5th Semester								
1.	Comp.	Advanced Managerial Accounting	ACC301	3	50 min	15	42	6
2.	Comp.	Accounting Information Systems	ACC305	3	50 min	15	42	6
3.	Comp.	Audit Principles	ACC315	3	50 min	15	42	6
4.	Comp.	Investments	FIN305	3	50 min	15	42	6
5.		Elective		3	50 min	15	42	6
6th Semester								
1.	Comp.	Advanced Financial Accounting	ACC302	3	50 min	15	42	6
2.	Comp.	Business Statistics II	MAT301	3	50 min	15	42	6
3.	Comp.	Business Taxation	ACC306	3	50 min	15	42	6
4.	Comp.	Multinational Business Finance	FIN310	3	50 min	15	42	6
5.		Elective		3	50 min	15	42	6
7th Semester								
1.	Comp.	Corporate Law	ACC310	3	50 min	15	42	6
2.	Comp.	Performance Management	ACC404	3	50 min	15	42	6
3.	Comp.	Corporate Governance & Business Ethics	ACC403	3	50 min	15	42	6
4.	Comp.	Money and Banking	ECO405	3	50 min	15	42	6
5.		Elective		3	50 min	15	42	6
8th Semester								
1.	Comp.	Advanced Auditing	ACC415	3	50 min	15	42	6
2.	Comp.	Advanced Financial Reporting	ACC401	3	50 min	15	42	6
3.	Comp.	Advanced Business Taxation	ACC410	3	50 min	15	42	6
4.	Comp.	Risk Management	FIN410	3	50 min	15	42	6
5.		Elective		3	50 min	15	42	6

Program Electives

Banking and Finance Electives		30 Credits	60 ECTS
Code	Course Title	Credits	ECTS
ECO306	Managerial Economics	3	6
BUS301	Quantitative Business Methods	3	6
BUS451	Business Ethics and Social Responsibility	3	6
BUS 495	Research Project	3	12
LAW401	Business Law II	3	6
MAR201	Consumer Behavior	3	6
MAR101	Introduction to Marketing	3	6
MGT101	Principles of Management	3	6
MGT302	Organizational Behavior	3	6
MGT205	Industrial Relations	3	6

Other Electives		6 Credits	12 ECTS
Code	Course Title	Credits	ECTS
COM100	Public Speaking	3	6
HIST201	History of Modern Europe	3	6
PHIL101	Introduction to Philosophy	3	6
POL101	Introduction to Political Science	3	6
PSY101	Introduction to Psychology	3	6
SOC101	Introduction to Sociology	3	6
PSY301	Psychology and Child Development	3	6
SOC301	Contemporary Social Problems	3	6

APPENDIX B

Course Title	Financial Analysis and Business Valuation				
Course Code	ACC202				
Course Type	Core/Required				
Level	Undergraduate				
Year / Semester	Year 2 / Semester 2				
Teacher's Name	Marios Mortis				
ECTS	6	Lectures / week	3	Laboratories / week	N/A
Course Purpose and Objectives	The aim of this course is to provide students an understanding and construal of the accounting environment within a business beyond the mere preparation of financial accounts and statements.				
Learning Outcomes	<p>On successful completion of the course, students will be able to:</p> <ul style="list-style-type: none"> • Account for cash dividends and stock dividends, and explain the effects of these transactions on a company's financial statements. • Describe and prepare a statement of retained earnings and prepare a statement of stockholders' equity. • Explain why net income differs from net cash flows from operating activities. • Discuss the quality of a company's earnings, assets, and working capital. • Compute the ratios widely used in financial statement analysis and explain the significance of each. • Analyze financial statements from the viewpoints of common stockholders, creditors, and others. • Compute gains or losses on receivable or payables that are stated in a foreign currency when exchange rates fluctuate. • Describe several techniques for "hedging" against losses from fluctuations in exchange rates. • Understand how global sourcing increases product cost complexity. 				

	<ul style="list-style-type: none"> Describe how manufacturing costs flow through perpetual inventory accounts. Explain the purpose of overhead application rates and the importance of basing these rates on significant cost drivers. Prepare a schedule of the cost of finished goods manufactured. Describe the elements of a master budget. Explain how standard costs assist managers in controlling costs. Compute variable cost and fixed cost variances and explain the meaning of each. Explain the Importance of Incentive systems for motivating performance. Use the Dupont system to evaluate business performance. Explain the nature of capital investment decisions. Identify nonfinancial factors in capital investment decisions. Explain the behavioral issues involved in capital budgeting and identify how companies try to control the capital budgeting process. Use the following business valuation methods: <ul style="list-style-type: none"> Asset based method Free cash flow method Dividend valuation method P/E method 		
Prerequisites	ACC101, ACC102	Required	
Course Content	<p>The course covers the following topics:</p> <ul style="list-style-type: none"> INCOME AND CHANGES IN RETAINED EARNINGS: Reporting the results of operations, financial analysis, other transaction affecting retained earnings STATEMENT OF CASH FLOWS: Statement of cash flows, preparing a statement of cash flow, financial analysis, managing cash flows, the indirect method 		

	<ul style="list-style-type: none"> • FINANCIAL STATEMENT ANALYSIS: Tools of analysis, measures of liquidity and credit risk, measures of profitability, comprehensive illustration • OPERATIONAL BUDGETING: Profit rich yet cash poor, the basis of planning and controlling • STANDARD COST SYSTEMS: Standard cost systems; direct material standards, direct labor standards, manufacturing overhead standards, standard costs and variance analysis, etc • REWARDING BUSINESS PERFORMANCE: Motivation and aligning goals and objectives, accounting information and feedback about goal achievement, rewarding goal achievement, the DuPont system, return on investment, the components of return on investment, return on sales, capital turnover, criticisms of ROI, residual income and economic value added, the financial and businesses and customer perspective of the balanced scorecard, the learning and growth perspectives of the balanced scorecard, difficulties with the balanced scorecard, components of management compensation, design choices for management compensation • CAPITAL BUDGETING: Capital investments decisions; financial and non-financial considerations, evaluating capital investment proposals, payback period, return on average investment, discounting future cash flows, replacing assets • BUSINESS VALUATION METHODS: These will include the asset approach, the market approach and the discounted cash flow approach.
Teaching Methodology	<ol style="list-style-type: none"> 1. Lecture 2. Class discussion 3. Individual, paired, and small-group exercises 4. Use of library for research projects 5. Use of audio-visual media resources (videos, films, transparencies)
Bibliography	<p>Bibliography (Indicative)</p> <p>Core Text(s)</p> <p>Jan, R, Williams, Susan, F, Haka, Mark, S, Bettner, and Robert, F, Meigs, 2001, <i>Financial and Managerial Accounting: The Basis for Business Decisions</i>, McGraw-Hill, USA (12th Edition)</p>

	<p>McKinsey & Company Inc. and Tim Koller, <i>Valuation: Measuring and Managing the Value of Companies</i>, Wiley Finance, 2015</p> <p>Recommended Reading</p> <p>Charles T Horngren series in Accounting by Charles T Horngren Drikant M Datar and George M Foster (2005), <i>Cost Accounting</i> (12th Edition)</p> <p>Jerry J Weygandt, Donald E and Paul D (2004), <i>Accounting Principles</i> (7th Edition) with pepsa Co Annual Report</p>	
Assessment	Examinations	: 80%
	Assignments/Tests/Class Participation	:20%
Language	English	