

Computer Simulation and Learning Theory, Volume 3, 1976

IMPLEMENTATION OF EXPERIENTIAL BUSINESS APPLICATIONS

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Current trends in business education are towards an entrepreneurship course that allows the student to apply classroom concepts learned in the school of business to actual business situations. While this may fit the needs of some students, other graduates find it difficult to meet the realities of the business world. Students in all areas of education also face the same transition when they are suddenly removed from an academic environment with its assumptions and limitations, to an environment where they are thrust into situations requiring them to apply classroom learning for the first time. Students in the education department preparing for a career in teaching, however, are exposed to their actual teaching environment before graduation, under the watchful eye and guidance of a supervisor. Cannot business provide the same experience for its students? It was this question that prompted the establishment of this course in Experiential Business Applications.

Objective of the Course

The objective of this course is to allow the student to demonstrate application of skills, techniques, and analytical procedures --introduced in academic experience -- in a real existing and/or simulation of an existing work situation. In order to keep the application part of the objective as realistic as possible, it was felt that simulation should be used only in limited areas.

Benefit for the Student

The student certainly is the one who should benefit from a course of this nature. It has been our observation that the student benefits in at least the following ways:

- (1) Provides a self-test of individual ability to use classroom concepts.
- (2) Provides an opportunity to examine applicability or inapplicability of classroom concepts in various work situations.
- (3) Exposes the student to the need to adapt, adjust, complicate, or modify classroom concepts to fit varied work situations.
- (4) Provides experience in communicating the results of work efforts.

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Course Operations

In the development of this course, we were charged with the responsibility of trying to initiate a course in the curriculum using the concept of performance based instruction. The main idea in attempting this approach was to assure that the students knew in advance what was required of them, and if they completed the task, credit would be given for completion of that segment of the course.

With this thought foremost in our mind, we set out to develop a list of potential performance objectives. Performance objectives identify a specific action and product which demonstrate the participants' application of a classroom concept to an actual or simulated work situation.

Each student is required to select and complete sufficient performance objectives to accumulate twenty-eight points. The selected objectives must include three major subject areas from the school of business, and at least one must represent the students' major field of concentration. Although some students elect to do only the minimal number of points outside their field of concentration, this is not discouraged, for they are completing objectives that apply to the career that they plan to pursue.

Each performance objective is to be presented in acceptable report form, including as a cover sheet a copy of the student contract. In addition to this requirement, each student is required to present a major performance objective to the other participants and the program coordinator. This is accomplished at various class meetings scheduled by the coordinator.

Earlier in the requirements for the course, it was mentioned that twenty-eight points were required to successfully complete the course. Point allocation for each performance objective is made according to the complexity and time involved to successfully complete each objective. Relative point value reflects its value as compared to all objectives and not only those of a similar area.

Grading System

In keeping with the original charge to develop a course utilizing as much of the performance based instruction concept as possible, the grading system that has evolved is a "hybrid" form in keeping with the performance based instruction concept. Since all seniors receiving the BBA degree are required to take the course, the original grading system awarded most students a traditional letter grade. Each of the objectives that was completed received the number of points stated for the objective, and no partial credit was given. If the student completed the task as stated in the objective, all points were received, if not, the report was returned to the student with no points credit to the student's file. The student would then submit the objective again to receive the points allocated for that task. The following grading system

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was used in the first two years:

1. For a student to receive a letter grade of "C" he or she would have to complete sufficient objectives to accumulate twenty (20) points.
2. A student must accumulate twenty-four (24) points to receive the letter grade "B".
3. A student must accumulate twenty-eight (28) points to receive the letter grade "A".
4. A student would receive a grade of incomplete (I) if he or she has accumulated at least fifteen (15) points but less than twenty (20). Included in this fifteen (15) points must be a major ten (10) point report that has been presented to the class and to the coordinator. If the student fails to accumulate 15 points, he or she would receive a grade of no credit (NC) and must register for the course and negotiate new student contracts for all performance objectives.

It should be noted that the points that are awarded for each of these performance objectives are based on calculation of one point for each four hours of work involved. Therefore, a five point objective, should take the student twenty hours to complete, including all research and report preparation.

The fore-mentioned grading system has now evolved to what we consider another step toward full performance based instruction. The grading system presently used is as follows:

1. A student receives a grade of credit "Cr" if he or she completes a sufficient number of objectives to accumulate twenty-eight points.
2. A student who accumulates less than twenty-eight points but more than twenty will receive a grade of incomplete (I). However, a student receiving less than twenty points receives a grade of no credit (NC).

Student Contracts

Students are required to negotiate a contract for each performance objective chosen. One contract is negotiated by the end of the second week of the semester to assure the student is making satisfactory progress. It is important to note that each contract has a due date. This is one of the shortcomings of this course in terms of the accepted concept of performance based instruction. The general consensus among the advocates of performance based instruction is that no time limit should be placed on the student. However, in our university, we operate on the semester system, and are required to submit grades at

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STUDENT CONTRACT GENERAL BUSINESS 495

1. State performance objective
2. Actual or simulated
3. Sources
4. Points

Student's signature _____

Instructor's signature _____

Special Instructions

Due Date _____

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the end of each semester. Therefore, a system had to be devised so that the work was not only accomplished, but also received in sufficient time for instructor evaluation.

In the early stages of development of this course, no time limit was placed on individual performance objectives. The only constraint was that all work must be in by the end of the semester, and guidelines were given to the students informing them that approximately 50 percent of the objectives should be completed by mid-semester. However, approximately 95 percent of all performance objectives were submitted within two weeks of the semester's end.

Based on this experience, we initiated the contract system, with established deadlines. Along with the deadlines, penalties were assessed in the following manner: (1) Failure to meet the due date results in the loss of one point for every three days the objective is late, (2) each time a student completes an objective, a new contract will be negotiated for another objective and this process will continue until the student completes the required twenty eight points. If the student fails to negotiate a contract within three class meetings, one point is deducted on the forthcoming contract. Although this places restrictions on students, in the two semesters since this system has been initiated, very few objectives have been turned in late and the quality of work on the part of the student has shown a marked improvement. The program coordinator, in his role as evaluator, also experiences a much smoother work flow. (See attached enclosure)

Class Meetings

The very nature of this course allows the program coordinator some flexibility in the number and frequency of class meetings. Since most of the work that the student does in preparation for the course goes directly into the organization of the objectives, the students are required to be in class and have with them at all times any materials relating to their current project. The discussion sessions that are used in some of the class meetings allow the students to present the problems they are encountering with their objectives. Solutions to these problems are often discovered through discussion with other class members.

Additional class meetings are used for oral presentations. Since the course is a senior level core course, students who have majored in different disciplinary areas intermix to present their experiences. Thus, students often gain an insight into disciplines that they have not studied during their academic preparation. Therefore, student's educational needs are enhanced in a realistic manner. In some cases, the presentations are very extensive followed by a very lengthy question and answer sessions.

Our student composition enriches these sessions. The varied experience of the students, whether they are from a military, government, or business background blend together to make the reports informative, and interesting.

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Minimum Standards for Reports

The nature of this course is to allow the student a wide range of flexibility in choosing areas that are from his or her major field or from an area of interest. However, in keeping with the objective of our college, to provide quality education, it is expected that students in this course meet certain minimum standards. These minimum standards apply to the presentation of the performance objectives. The performance objectives available to the students spell out specifically what is expected from the student if they are to receive full credit in terms of points. If the program coordinator determines that the objective does not meet even minimum standards of completeness, appearance, and communication, then the report must be submitted again in its entirety. In the specialized areas, the program coordinator has to call upon others in the specific field for some technical advice. However, with the system of grading as we have here at Texas A&I at Corpus Christi, the process of determining whether the student receives credit or no credit is greatly simplified. Because of the diverse nature of all the performance objectives submitted, we have kept the format requirements to a minimum. They basically include these four items:

1. When footnotes are used, the form must be consistent throughout the report.
2. All reports are typed, and all errors should be corrected in a neat manner and retyped when necessary.
3. All graphs and charts that are not typed should be done in black ink.
4. Acceptable English and report style will be used as a basis for minimum acceptance.

Special Projects

Texas A&I University at Corpus Christi enjoys a very good working relationship with many of the business firms in the area. These firms are contacted on a periodic basis to provide guest speakers for the course, and also provide many projects that allow the students to make direct application of their classroom learning. These projects are revised into specific performance objectives and made available to the participants. Once again, the students choose to do these projects and they know precisely what is expected of them, before they actually get into the objective.

These outside projects have proven most useful for the students who do not work. They provide a means by which the students can get this "hands on" approach to business while they are still students. Feedback from the students indicate that they feel more confident beginning their work experiences while still under the guidance of a faculty member because they can call upon him if the need arises.

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Response from business firms has been overwhelmingly positive since many small firms can now accomplish tasks, with the students' help, that otherwise would never have been possible because of the high labor cost.

Student Participation on Their Jobs

As stated earlier in this paper, approximately 50 percent of our students work either full or part-time. The course has become uniquely meaningful for the students who have been working for some time when they now realize that they have learned many concepts which can be applied in their current job.

In the following section is a list of some sample objectives that the students may choose from. Many of the students who are presently working take these objectives as they are stated and apply them to their job environment. Other students will modify the stated performance objectives to fit their exact firm. Some students are doing functions on their job that enables them to make direct application of a specialized skill they have previously acquired.

These applications constantly give us new ideas to add to our list of objectives to be presented to future students. In the past, we have solicited suggestions from students concerning new areas for performance objectives. Combining these approaches, we feel we are better able to offer a wider range of topics that appeal to the student's interest.

Stated Performance Objectives

Following is a list of some of the performance objectives, with their relative point values, that the students have chosen most frequently:

MARKETING:

1. The student will prepare in outline form a quantitative basis for evaluating salesmen within his firm. (2 points) If permissible, the sales force of the company (at least five salesmen) will be evaluated by the proposed plan. (3 points)
2. The student will prepare a feasibility study for the opening of a branch retail store in Corpus Christi or in another city. (10 points)
3. Prepare a written report and illustrate in chart form a breakeven analysis for your firm utilizing dollars and/or units. (5 points)
4. The student will describe and evaluate the marketing philosophy of top management in the business. (1 point)
5. Recommend a viable sales compensation plan which will achieve both incentive and control objectives. Be specific in terms of sales positions and sales responsibilities. (1 point)

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6. Develop point-of-purchase displays which will reinforce advertising campaigns of your firm. (3 points)
7. Evaluate the product pricing policy for a given firm. (1 point)

FINANCE

1. Family Portfolio: Assume that \$85,000 has been gained through an inheritance. Based on clear enunciation of the student's general economic status and goals for the future, do security analysis and design a portfolio with appropriate risk and appreciation potential. (5 points) In addition, if desired, do an economic and industry analysis to justify the selection of the specific companies. (5 points)
2. Prepare a capital budget analysis for the selection of one among two long-term investments. Evaluate the selection on a NPV, IRR, P1, and Pay Back. Use prime interest rate plus 1%. (5 points)
3. Compute the operational, financial and combined leverage for the company at its present level of operations. Using an expected value for next year's sales, as well as the standard deviation, determine the level of profits or losses based on at least three possible sales levels. (3 points)
4. Analyze the pension and/or profit-sharing plan of the company. Determine the existing and projected burden of these plans to the firm and decide if the burden potentially endangers the firm. (5 points) Evaluate the past performance of the portfolio manager(s) and analyze the existing portfolio, policies, etc., to determine if the portfolio management is appropriate. (4 points)
5. Develop a credit policy for the company that includes: to whom credit should be granted, what trade discount terms should be offered (if any), and what efforts should be made to deal with late and/or delinquent accounts. (6 points)
6. Perform the initial work required to acquire a short-term loan agreement with a commercial bank. This would include analysis of requirements, statement of position, proforma statements outlining how repayment will be made. Establish the types of collateral available and desirable if required by the lender. (6 points)

MANAGEMENT

1. Review the literature on Management by Objectives (MBO). Describe the current practices of the organization you are working in, compare its differences to MBO practices, and develop a new MBO program which could be implemented. (6 points)

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2. Review the literature on work Motivation, especially the Two-Factor Motivation-Hygiene Theory of Frederick Herzberg. Study the outgrowth of the “job enrichment” concept developed by Herzberg. Describe the current practices of the organization you are working in, and develop a “job enrichment” program which could be implemented. (5 points)
3. Describe the current practices in the organization you are working in, and analyze its strengths and weaknesses, as revealed by the limitations of the evaluation methods. (5 points) Offer and substantiate suggestions for improvements in the appraisal system. (3 more points)
4. Do a plant location analysis for an electronics firm locating here in Corpus Christi including five quantitative and five non-quantitative considerations. (5 points)
5. Develop a quality assurance system for some part of a health service organization. Include the development of an appropriate input/storage/output inspection system along with statistical quality control charts and testing procedures. (5 points)
6. Review the literature on compensation, wage and salary theory and practice. Select three different kinds of positions in an ongoing organization and describe each in terms of the theoretical basis and procedures for compensation. (3 points)
7. Select two different kinds of jobs and write up an analysis and identify job specifications and provide a complete job description. (2 points)
8. Review the literature on employee recruitment, selection, and interviewing. Write up a detailed interview schedule for the initial recruitment interview, and for the on-site employment interviews. Identify the appropriate types of interviewing and cite the pitfalls and limitations of the interview sessions. (3 points)
9. Review the literature on leadership in general, and on the Managerial Grid (Blake and Mouton) and the Leader Behavior Description Questionnaire--Ohio State Leadership Studies (Halpin) in particular. Select three different supervisors or managers and write up an analysis of their leadership styles using the Managerial Grid (3 points) and/or the LBDQ-Ohio State Model. (3 points).

ECONOMICS

1. Choose a product, using data for five years to determine the price elasticity coefficient for the product. (1 point)

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2. Investigate the feasibility of operating a vegetable cooperative in Corpus Christi. Include in your analysis the minimum number of orders required for lowest prices, how much possible savings, how often orders should be placed, what should be the conditions of membership, etc. (3 points)
3. Evaluate how reliable and convenient city bus service is for students, faculty, and staff at Texas A&I University at Corpus Christi. Specifically, what are the bus stop schedules, etc. (2 points)

ACCOUNTING

1. **CASH FLOW:** Assume that the firm wants to increase its inventory level by 20%. Do a three-month cash flow analysis showing cash received from all sources and cash disbursed. From this information make recommendations to management concerning what action should be taken. (5 points)
2. **SALES AND COST VARIANCE ANALYSIS:** On a monthly basis prepare a three month sales and costs variance analysis comparing budgeted with actual. If the firm does not now prepare a budget, then prepare a budget for three months and then make the analysis. From the data prepare recommendations for management. (5 points)
3. **MANUFACTURING OVERHEAD VARIANCE ANALYSIS:** On a monthly basis prepare a three month manufacturing overhead variance analysis comparing standard cost (or budgeted flexible) to actual cost. Make appropriate recommendations to management. (5 points)
4. **LEASE OR BUY:** Select some asset used by the firm (e.g., car, truck, equipment, etc.) and using the discounted cash flow method prepare an analysis of all relevant cost factors. The discount rate should be the rate the firm may borrow money from the local bank. Make appropriate recommendations to management. (3 points)
5. **DEPRECIATION METHODS:** Select some major asset used by the firm that qualified for accelerated depreciation method for federal income tax purposes. Prepare depreciation expense annual under each of the following methods of depreciation: declining balance, sum-of-years digit and straight line. Next, annually for the life of the asset show the federal income tax effect for each of the methods. From the data prepare recommendations to management as to what method should be used. (3 points)
6. **INVESTMENT CREDIT:** Identify some asset used by the firm that qualified for investment credit. Calculate the tax effect of the investment credit to the firm for the life of the asset. Assume an early disposal of the asset, now determine the tax effect for the firm. Make recommendations for management. (3 points)

Validation As An Effective Teaching Aid

In the College of Business Administration here at Texas A&I University at Corpus Christi, prior to graduation, each senior completes an exit questionnaire. On this questionnaire, students are asked specific questions about all areas of their business education. This has provided us with an effective means of determining that this course is viewed as being superior to other courses in preparing the students for careers in business.

The comments from the students have been favorable. Many students have indicated that this course has been the most applicable course in their formal business education.

As stated, the students who are presently working think of the course as a beneficial tool even before graduation because of the unique ability to allow the application of many business concepts on the job. However, most importantly, is the opportunity that the non-working student has to make these direct applications.

The business community in the Corpus Christi area supports the course for its effective means of exposing the students to realism. This alone, as many business people will agree, makes the course worthwhile.

The course has not evolved to its present status without problems, however, the problems that have occurred have been mainly in the mechanics. Students in general welcome the chance to take the knowledge gained in class and make application to specific problems and areas of interest in the business environment.