“Practical Based” study for Practical Based Financial Management Undergraduate Program’s Textbook

Tang Yanfei
Dean and professor of Faculty of Business Administration in Haikou College of Economics
Haikou China
yanfei@163.com

Xie Dali
Deputy Dean, associate professor of Faculty of Business Administration in Haikou College of Economics
Haikou China
xdali@qq.com

Abstract—Base on personal researching and lecturing experiences, This paper bring out the facts that the inappropriateness of the textbooks for practical based financial management undergraduate program is one of important reasons why graduates of applied financial management cannot be quickly adapted to their jobs. The textbook of practical based university and other ordinary university has not show any major different that will help the students clear their study direction. This paper discovers the problems existing in textbooks for applied financial management majors, and analyzes the causes of these problems and proposes constructive suggestions.

Keywords- financial management, textbook, practical based study
At present, the textbook of practical based university and other ordinary university has not show any major different that will help the students clear their study direction. The textbook hasn’t show its “practical based ability”. Hence, it’s imperative to study the compilation of quality major textbooks for undergraduates of applied financial management.

I. THE TEXTBOOK HASN’T SHOW ITS “PRACTICAL BASED ABILITY”

We randomly chose ten non-“211” and non-“985” universities as our study samples which are Lanzhou University of Finance and Economics, Capital University of Economics and Business, Beijing Technology and Business University, Northeast University of Finance & Economics, Shanghai Institute Of Foreign Trade, Jilin Business and Technology College, Nanjing University of Finance & Economics, Zhejiang University of Finance & Economics, Tianjin University of Commerce and Tianjin University of Finance & Economics.

All of those ten universities have the major of financial management to study the set-up of their major curriculum. We discovered that all these ten universities had the course of Financial Management so we chose the textbook of Financial Management as the research object. Currently there’s no officially or universally acknowledged typical textbook for undergraduates of applied financial management so we chose two Financial Management textbooks with the mark of “practical based undergraduate” and one “regular colleges and universities” textbook for analysis and studies.

One of the textbooks we chosen for practical based university is by Cheng Wenli (2010)Financial Management whose cover indicates “21st Century practical based Economic Management Planning Textbook” (CWL edition for short); another was by Hu Xuwei Financial Management in 2010 whose cover indicates “practical based Undergraduate Planning Textbook” (HXW edition for short); The “regular colleges and universities” textbook was published by Jing Xin, Financial Management 2009 whose cover indicates “National Excellent Teaching Award, Regular Higher Learning ’11th Five-Year’ National Planning Textbook and Recommended by Ministry of Education” (JX edition for short).

A. Content structure is the “concentration” or “reprint” of regular undergraduate textbooks
All the textbooks have almost exactly same layout and cover the same modules. They all start with induction rudimentary knowledge of financial management and describe the concept of financial management, goal, forms of business organizations and financial manager, financial management environment, the time value of money, risk and proceeds as well as appraisement of securities etc.,

And all of them lack of practical instruction. We will compare the “long- term liability” chapter from CWL edition and HXW edition to analyze.

CWL edition used almost 800 words to explain the definition, condition, kinds, repayment etc, but did not mention the steps, requirements and other key knowledge.

HXW edition used about 500 words to explain the definition, condition, steps, advantage $ disadvantage, in steps of long-term liability section, there is only one sentence to explain the whole long-term liabilities process by “long-term loans are usually conducted by the following procedures: apply and go through approval procedures; approve loans; sign loan contract; use loans; repay loans.” There’s no other knowledge detail.

So we can see from here that none of the textbook is reality focus on “practical based”. First, they fail to analyze and introduce the features of different capital sources and students are not told where to get financing; second, they didn’t or basically didn’t provide a systematic and detailed introduction of financing conditions and operation.
procedures, and students are not told how to finance; third, they didn’t combine concrete ways of financing to introduce related laws and regulations as well as regulatory organizations, which couldn’t train students’ philosophy of legal financing; fourth, they didn’t have real and complete practical case analyses which could neither enable students to learn about the whole process of practical financing nor help them grasp the essentials of the combination of theories and practices. Further students couldn’t grasp difficult points, important points and notes of financing; fifth, exercises and questions were confined to the understanding and consolidation of the knowledge in the textbooks. Students couldn’t be trained about ability extension, analysis ability and hands-on ability so the effect of comprehending by analogy couldn’t be achieved. The existence of these defects in the textbooks explains why students can’t be equal to financing tasks after studying the books so the purpose of training hands-on ability is not reached.

B. Textbook contents can’t go with the times

With the development of market economy, the environment and contents of financial management are constantly changing and different financial tools and means are being created. However, current applied financial textbooks for undergraduates can’t timely reflect these changes, update knowledge and go with the times. For example, merger and restructuring is a very important financial tool in our country’s economic transformation period and also a common financial method under market economy. JX edition set two chapters for special introduction in its 2009 version but CWL edition and HXW edition didn’t include the content in their 2010 versions. Another example is that the financing of small and medium-sized enterprises has been a challenge in our country for many years so financial innovations are made such as collective bonds of liquidation, etc. Some scholars maintained that the reasons for problems existing in applied financial management textbooks for undergraduates were imperfect teaching management system, lack of monitoring of textbook compilation quality as well as the fact that textbook construction was a very arduous and complicated project which took a long time from planning, project approval, and compilation to publishing. The author proposes two more aspects:

A. commonly agreed definition of practical based financial management undergraduate goal needed

The implicit orientation of the talent cultivation in the applied financial management undergraduate program is partly caused by insufficient attention to “applicability”. Up to now, quite a few scholars have studies the orientation of talent cultivation in applied financial management undergraduate program. For example, Xu Xing and Zhang Hong maintained that the goal of the applied talent training
in undergraduate program was to train special applied senior talents who transform high-tech into productivity (including management ability and service ability). Wang Cheng, Gan Yarong and Tang Wei held that independent colleges should set up the goal of training “applied marketized talents”. Huang Jiatao, Zhang Depeng and Han Xiaohua was of opinion that the training of applied talents should be directly adapted to local economic and social development, able to supplement and improve the talent structure of regional economic development and meet the demand of regional economic development for diversified talents. According to Zhu Kaixi, financial management should possess “wide, profound, strong, advanced and mature” characteristics and train professional financial management personnel with qualities required by financial management major. The undergraduate financial management education should be based on quality, and regard knowledge as its subject, skills as means and improvement of qualities and abilities as purposes. Scholars mentioned above have made some sense in their cognitions of the applied undergraduate talent cultivation orientation and approved the significance of “applicability”. However, the orientation of applied financial management undergraduate is excessively extensive and abstract. A consensus hasn’t been reached on the ways of realization and access to “applicability”. Hence, it’s very hard to see universally acknowledged textbooks on the market.

B. Textbook compilers fall short of practical experience

Applied financial management undergraduate program is a field with extremely strong practicability. It’s quite hard to come up with high quality major textbooks without practical work experience and solid theoretical foundation. Therefore, textbooks are compiled by teachers at present. It’s been a short time since applied undergraduate was launched so the team of teachers is still weak with poor stability and lack of practical experience. Moreover, universities don’t have incentive mechanism for excellent textbooks. It’s all the more so in some private financial management undergraduate colleges. Much as many teachers have two titles or multiple qualities in some universities, most of them remain in name only. Without practical experience, they just pass exams and obtain the title of “accountant”, etc. Most of the teachers compile textbooks because of the pressure from titles. Once this pressure is lost, there’s no driving force for compiling textbooks. Some teachers indeed come from financial management department of enterprises but they are young with poor stability and theoretical foundation. Therefore, they don’t have time and ability to work out textbooks which meet the demands for training applied talents. Some senior professors with both practical experience and teaching experience are not motivated to participate in the compilation of applied textbooks because on the one hand the titles are no longer tempting to them and on the other hand they don’t have enough time to do this. As a result, some teachers who participate in textbook compilation have solid theoretical foundation but they can’t link theories with practice in a good way because they don’t have practice in enterprises. Even though the books include the practice part, the so-called practice part usually has no operability and no genuine penetration into enterprises’ concrete businesses.

C. Suggestions on how to achieve the goal of practical based Financial Management Undergraduate Program Units

- (I) core philosophy

Basic though of textbook construction: regard theoretical overview as the lead, practical operation process as the main line, practical cases and analysis as support and after-class assignments as consolidation and extension

“Theoretical overview as the lead” means that related theoretical knowledge should be briefly introduced before illustrating practical contents. Theoretical overview is composed of two parts, that is, the theory chapter of the entire book and the theory section of the practice chapter. The theory chapter mainly introduces basic concepts of the course, related theories, development trend as well as basic contents of the course, structure and the relations with other courses; the theoretical part is the first section of the practice chapter and mainly presents basic concepts of each chapter, principles, characteristics, relations with other chapters and innovation, etc.

In accordance with “practical operation process as the main line”, the textbook should introduce the work content, work method, standard, characteristics and important points of each financial business according to the work process of practical financial businesses. Each category of financial business can be subcategorized into small parts while different categories have different processes so it’s especially important to choose typical business process for explanation. For example, fixed assets credit financing is chosen to introduce the practice of credit financing. Students have learnt related theoretical knowledge of credit financing and are equipped with certain analysis ability so it’s very easy for them to grasp the processes and important points of other financing ways.

Each practice chapter demonstrates the entire practical operation process and conducts analysis through a genuine and complete case. First, students can strengthen their understanding of the practical operation process through the case demonstration which is also helpful to students’ understanding and consolidation of the basic theoretical knowledge such as basic concepts.

Second, the comments on cases can better help students grasp important points, difficult points and notes and facilitate the formation of students’ habit of analyzing problems and probing into them. Third, students are less motivated due to dull theories in the learning process so the case analysis can solve the problem. For instance, the genuine case that an enterprise is legally auctioned by the court due to its overdue loans from ICBC can not only further acquaint students with the procedure and conditions of credit financing but also let students have in-depth understanding of the important points and significance of the credit contract and guarantee contract in the credit financing process as well as legal consequences for overdue loans.
The questions in the end of each chapter should serve as a supplement so as to train students’ ability of comprehending by analogy. For instance, students can be asked to look for all loan categories and processes of ICBC and BOC, and meanwhile compare them. The exercise can strengthen students’ understanding of credit financing and meanwhile improves students’ ability of looking up in materials, categorizing, integrating, analyzing and comparing as well.

- **(II) Compilation Team**
  It’s best that textbooks are jointly compiled by professional teachers and practical financial management staff with teachers with double titles or multiple qualities as editor-in-chief or responsible person. Full-time teachers should be equipped with basic theoretical knowledge of solid financial management, strong science and research ability, rich teaching experience and textbook compilation experience as well as work experience in financial management. Full-time teachers are mainly in charge of compiling theoretical part, case analysis, extension abilities and after-class assignments. Authors engaged in practice should possess solid financial management theories and rich practical work experience in financial management, be conversant with work process, important points and difficult points of financial management and take charge of compiling business processes, providing and integrating cases.

- **(III) Compilation procedure**
  Compile textbooks according to the process of “conduct survey to learn about enterprises’ demands——seek for opinions——compile trial textbook——trial application on campus, assessment and revision——official release”

In order to make textbooks meet practical demands, the following aspects should be taken into account: first, investigate the requirements for financial management graduates’ knowledge structure, quality structure, ability structure and financial innovation by enterprises’ financial management positions and financial organizations, and determine basic contents of textbooks based on extensive consultation; second, apply the first draft for financial management majors with the theoretical part being taught by full-time teachers who participate in the compilation and the practical part being taught by staff engaged in practice and the compilation; third, revise problems discovered in the process; fourth, invite enterprises’ high-level financial management personnel and experts to assess the revised trial textbook, modify it again according to their suggestions and officially publish them after revision.

**BIBLIOGRAPHY**

[1] CHENG WENLI, FINANCIAL MANAGEMENT, LIXIN ACCOUNTING PRESS 2010

[2] HU XUWEI, LIU HONGBIN, FINANCIAL MANAGEMENT, ZHEJIANG UNIVERSITY PRESS COMPANY 2010


