

Learning Goal #3: Integrating Financial Principles Rubric (MS-Finance)

Topic	<i>Integrating financial principles</i>		
Learning objective	Unsatisfactory	Satisfactory	Exceeds requirements
Reading, understanding, and interpreting financial statements	Has trouble understanding statements.	Can identify performance and strategy from financial statements.	Can use intuition developed from financial statements to identify performance drivers.
Understanding application of asset pricing to measurement of cost of capital	Cannot identify component costs.	Can identify component costs.	Can deal with uncertainty in measurement of component costs.
The risk-return tradeoff	Applies same cost of capital to cash flow streams that differ in risk or capital structure.	Considers risk and capital structure in estimate of cost of capital.	Can validate cost of capital estimate from different valuation approaches.
Developing pro-forma financial statements	Forecasts of profits and cash flows are unrelated to strategy.	Strategy identified in financial reports is reflected in pro-forma statements.	Accounting nuances are considered in developing pro-forma statements.
Valuation	Has trouble supporting and defending valuation for the same assets held by different managers.	Can develop and defend valuation for the same assets held by different managers.	Can reconcile different valuation approaches in estimating values for different managers.
Regulation	Ignores the role of federal and state regulation in outcomes.	Considers the role of state and federal regulation in outcomes.	Prepares an elaborate analysis predicting the outcome of state and federal legislation.