

**Rubric: QUANTITATIVE DECISION-MAKING & PROBLEM SOLVING<sup>1</sup>**



Team Name: \_\_\_\_\_

Semester/Year: \_\_\_\_\_

Ratings Total: \_\_\_\_\_

Instructor/Rater: \_\_\_\_\_

<b>Criteria</b>	<b>Unsatisfactory 1</b>	<b>Below expectation 2</b>	<b>Meets expectation 3</b>	<b>Above expectation 4</b>	<b>Outstanding 5</b>	<b>Score</b>
<b>1. Ratios:</b> Calculation of various financial ratios such as price-earnings ratio, debt-equity ratio, and cash ratio, or application of these ratios to calculate other relevant numbers for a financial decision making process.	Student showed misunderstanding of concept and/or demonstrated gross misapplication.	Student demonstrated limited understanding of concept and/or limited application.	Student understood core tenets of concept and could apply/calculate to a satisfactory manner.	Student displayed more sophisticated understanding of concept and could apply/calculate with few mistakes.	Deep and advanced understanding of concept with flawless application, calculation, and execution.	
<b>2. Time Value of Money:</b> Calculation of present/future value for various types of cash flow streams.	Student showed misunderstanding of concept and/or demonstrated gross misapplication.	Student demonstrated limited understanding of concept and/or limited application.	Student understood core tenets of concept and could apply/calculate to a satisfactory manner.	Student displayed more sophisticated understanding of concept and could apply/calculate with few mistakes.	Deep and advanced understanding of concept with flawless application, calculation, and execution.	
<b>3. Investment Decision Rules:</b> Calculation of net present value, internal rate of return, or profitability index to make a corporate investment decision.	Student showed misunderstanding of concept and/or demonstrated gross misapplication.	Student demonstrated limited understanding of concept and/or limited application.	Student understood core tenets of concept and could apply/calculate to a satisfactory manner.	Student displayed more sophisticated understanding of concept and could apply/calculate with few mistakes.	Deep and advanced understanding of concept with flawless application, calculation, and execution.	
<b>4. Capital Budgeting Process:</b> Forecast of incremental earnings and incremental free cash flows for a firm's project to make a corporate investment decision.	Student showed misunderstanding of concept and/or demonstrated gross misapplication.	Student demonstrated limited understanding of concept and/or limited application.	Student understood core tenets of concept and could apply/calculate to a satisfactory manner.	Student displayed more sophisticated understanding of concept and could apply/calculate with few mistakes.	Deep and advanced understanding of concept with flawless application, calculation, and execution.	
<b>5. Capital Cost Estimation:</b> Estimation of equity cost of capital, debt cost of capital, and weighted average cost of capital (WACC).	Student showed misunderstanding of concept and/or demonstrated gross misapplication.	Student demonstrated limited understanding of concept and/or limited application.	Student understood core tenets of concept and could apply/calculate to a satisfactory manner.	Student displayed more sophisticated understanding of concept and could apply/calculate with few mistakes.	Deep and advanced understanding of concept with flawless application, calculation, and execution.	
<b>6. Stock Return/Volatility calculation:</b> Calculation of expected returns and volatility for individual stocks and portfolios.	Student showed misunderstanding of concept and/or demonstrated gross misapplication.	Student demonstrated limited understanding of concept and/or limited application.	Student understood core tenets of concept and could apply/calculate to a satisfactory manner.	Student displayed more sophisticated understanding of concept and could apply/calculate with few mistakes.	Deep and advanced understanding of concept with flawless application, calculation, and execution.	
<b>7. Overall Evaluation:</b> Overall evaluation of quantitative decision-making reflecting skills described above.	Student showed misunderstanding of concept and/or demonstrated gross misapplication.	Student demonstrated limited understanding of concept and/or limited application.	Student understood core tenets of concept and could apply/calculate to a satisfactory manner.	Student displayed more sophisticated understanding of concept and could apply/calculate with few mistakes.	Deep and advanced understanding of concept with flawless application, calculation, and execution.	

<sup>1</sup> Undergraduate Rubric available for FINA 370 course. As of 2 April, 2013, this Rubric will be formally delivered in FINA 370—Corporate Finance.