

THE PIVOTAL ROLE OF IN-CLASS EXERCISES IN FLIPPED CLASSROOMS: THE ENGAGEMENT OF STUDENTS' ACTIVE LEARNING IN AN INTRODUCTORY FINANCE COURSE

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ABSTRACT

Advanced technology fosters the growing adoption of flipped classrooms. However, several pitfalls associated with flipped classrooms, especially, lack of students' engagement in pre-assessment and in-class exercises, warrant educators' special attentions. In this study, we shared our rationales and pedagogical approaches to illustrate how we designed in-class exercises to improve students' active learning experience through meaningful interaction between instructors and students. We experimented with using different modes of questions to enhance students' learning effectiveness. Many students identified in-class exercises as the most prominent factor that contributed to their learning success.

INTRODUCTION

Over the last ten years, various publishers have devoted substantial resources to expanding their online technical platforms, as an attempt to offer a more effective learning environment for students. Within such environments, each student can utilize the online learning materials to create an individualized education plan in order to delve more in-depth into subject matter outside of the classroom. These resources and applications make excellent additions to blended instruction structures. Bishop and Verleger (2013) credit much of the success of flipped classrooms to the broad spectrum of technological learning venues provided by publishers and other educational advocates and philanthropists such as Salman Khan.¹ However, from our perspective, the meaningful interaction between instructors and students that is embodied by the student-centered learning model is what leads a flipped classroom to ultimate success. This study attempts to explain our experience designing and implementing in-class exercises (ICE) to create impactful contact between instructors and students in a flipped introductory finance course. We suggest that instead of delivering monologues, instructors need to see ourselves as curators, directing students to materials, facilitating conversations or stimulating discussion among students.

Business Finance is offered as a prerequisite core course to CBA (College of Business Administration) students at many AACSB (Association to Advance Collegiate Schools of Business) accredited colleges. This course has always posed a challenge for instructors because, as an introductory finance course, each class is comprised of students drawn from both finance majors and non-finance majors. Additionally, the instructors of this course must cover a range of distinct topics, including the time value of money, fixed income securities, equities valuation, risk and return, capital budgeting, free cash flows, and dividend policy, all within a 15-week semester. The idea of a condensed, quantitative-oriented finance course disinterests some students who have phobias of quantitative content. To avoid further disengaging students who are not finance majors, instructors are expected to soften the rigidity of the quantitative content by spending considerable time helping students navigate through extensive problem-solving exercises. However, in reality, a large portion of in-class lecture time is employed in

delivering the conceptual knowledge that students can apply to financial models and formulas. What makes the matter even more challenging is that students are often baffled by jargon such as “equity risk premium” and “cost of capital.” As categorized by Turner (2004), “the gurus of finance speak a language of their own and follow conventions that make no sense to the typical outsider.” Thus, the remaining class time is insufficient to help students tackle more quantitative problem-solving questions, which are instead assigned as homework. Another fact to keep in mind is that students enter this class with different degrees of enthusiasm and motivation, many of them just trying to satisfy their degree requirements. Thus, how to encourage students to devote more of their time outside of the classroom to working on quantitative-oriented homework and assignments is an intriguing question.

In this experiment, we used the flipped classroom structure in a session of Business Finance because we believe that the flipped classroom offers a way to strike a balance between content delivery and problems execution. Flipped classrooms are often misrepresented as containing a dichotomy of online, recorded lectures and in-class activities. In reality, however, the flipped classroom does not simply rearrange traditional lectures and homework delivery through an inside vs. outside classroom paradigm. Rather, the flipped classroom encourages students to take ownership of their learning (Collins et al., 2001). How do we get students to “buy into” the flipped classroom in this manner, however, without allowing its diverse pedagogical approaches to make them feel agitated or confused? As documented in other studies, students’ positive perceptions of their learning environment have a positive influence on their quality of learning (Chandra & Fisher, 2009; Ginns & Ellis, 2007).

This study shares several highlights of the experimental flipped classroom that we conducted during a session of Business Finance. Our assessments report the students’ average scores on exams (including two midterms and one final), which were 21% higher than the average within non-flipped classrooms. Most importantly, many students identified in-class exercises as the most prominent factor that contributed to their learning success. Hence, this study offers a detailed description of the rationales and approaches embodied in expanded ICE, which plays a pivotal role in enhancing a course’s effectiveness. Furthermore, ICE can help us identify any deficiencies that exist relative to achieving our college’s learning goals. We put forth a strategy to correct such deficiencies, which is referred to as “close the loop” in AACSB’s AoL (Assurance of Learning).

ⁱ MIT alum Salman Khan founded the Khan Academy in 2006 and has released more than thousands of videos online to teach lessons for free. (More information can be found at www.khanacademy.org/about/the-team)