



Ministry of Education

**Test Blueprint Manual for National Exit Examination to
be held in 2015 E.C**

Program: - Bachelor of Arts in Finance and Development Economics

Compiled By:

Eftah Hizkiel Zekarias (MSc in Economics policy analysis) (Arba Minch University,
Department Finance and Development) **Email:** eftahiz@gmail.com and Phone: 0927045907

Mihretu Elias Churko (MSc in Accounting & Finance) (Arba Minch University, Department
Finance and Development) **Email:** mihiretuelias@gmail.com and Phone: 0916557497

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**Wolayta Sodo
Ethiopia**

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1. INTRODUCTION

Education is one of the ingredients for change and quality education is vital for economic prosperity of a country

More importantly, education has to be relevant and responsive to societal or development need of the country. Curriculum is the means/instrument by which you produce quality personnel and respond to societal/development needs. Currently, the government is striving to keep the country on accelerated growth track envisioning that Ethiopia joins the middle-income countries in a decade plus. This vision demands concerted efforts in all sectors and above all it requires an active and productive human capital that can realize the vision. The required active and productive human capital can be produced and molded through quality education, among other factors.

The world is becoming increasingly dynamic, especially today when economic activity and technology is globalized. Education, as part of the determining factors in the globalization process, too, is speedily becoming complex and intertwined. An educational institution, therefore, should continually design curriculums to make it aligned with the continually improving knowledge in the globalizing process.

Finance and Development Economics is needed to be designed to produce graduates with the necessary knowledge, skills, and understanding of the functions and operations of finance in an economy, sources of economic development, efficient resource utilization in the process of economic development. The program aims at preparing an all-rounded and proficient expert who can handle various duties in the economy –both public and private. It also aims at preparing students for further studies in finance, economics, and economic development; and self- initiated and problem-solving research in the aforementioned fields.

2. Objective/ Significance of Test Blueprint Preparation

The main objectives of exit examination are as follows:

- To ensure students' achievement and improve quality of education;
- To improve the relevance of academic programs and institutional performance;
- To assess whether higher education graduates attain the graduate profile or not
- To produce skilled and competent manpower for local, national, and international markets;

- To ensure that graduates achieve the required learning outcomes and hence meet the graduate profile of the curriculum;

It is important to set competency areas of the subject matter (program) in order to measure the how much graduates are acquired with skills, knowledge and attitudes. The following shows us the significance or setting competencies and identifying core courses of the program;

- ✓ To set competencies that helps to assess the basic skills, knowledge and attitude of graduating students;
- ✓ To systematically identify the core courses which will be included the exit exam;

3. Expected Profile of the Graduates

Upon successful completion of the program, a degree graduate in Finance and Development Economics would.

- Manage financial operations in financial institutions, and undertake all functions of an expert in economics, in both the governmental and private organization.
- Identify development problems by making surveys in the economy, and provide alternative measures necessary to achieve proposed development objectives;
- Design survey instruments, conduct applied research and assess the impacts of programs carried out in private and public sectors;
- Assist in the preparation and implementation of plans for an enterprise and a sector;
- Prepare, appraise, implement and evaluate sound finance and development projects;
- Carry out analytical research for short-and long-term impacts and changes in the economy;
- Actively involved in the formulation of, and recommendation on policies that promote economic growth;

4. Competences and Learning Outcomes

4.1. Competences

Graduates in finance & development economics were evaluated by students' knowledge, skill, and attitude. Currently, competency of students will be measured by exist exam at the end of completion of courses with a great emphasis of students' knowledge, skill, and attitude. The

details of the competency are presented here below by a categorizing knowledge, skills, and attitudes.

4.2. Knowledge Aspect

- Understand microeconomics & macroeconomic theories and their applications
- Acquired with basic concepts of mathematical knowledge and related linear economic models
- Economic applications in different sectors (financial, education, infrastructure, environment, industry, money market, public policy, agriculture, etc.)
- Mathematics and econometric tools and applications
- Economic applications in developmental issues
- Economic applications international trade and finance
- Planning, project analysis and evaluation
- Describe essential facts, concepts, principles and theories relating to accounting and Finance;

4.3 Skills Aspect

- Apply Basic computer skills and software applications in economic research and analysis
- Evaluate the economic/financial viability of investment decisions (both short-term and long- term investment projects) for all types of organizations
- Design, write an actual research work and present a report using computers.
- Apply different estimation for panel and time series data by using statistical software.
- Audit financial statements and the underlying accounting systems, controls and records, and express an independent professional opinion as per international standards for auditing (ISA) and other relevant rules and regulations and take part in preparing audit reports;
- Develop research proposal skills and writing research reports and professional articles
- Apply critical socio-economic phenomenon observation and data analysis skills
- Use both quantitative and qualitative socio-economic research skills.
- Apply quantitative analysis on economic and non-economic variables to solve practical and real-life problems of a society and implement development-oriented researches
- Use empirical evidence to evaluate an economic argument
- Use appropriate statistical analysis of data, and explain the statistical problems involved.
- Instruct in universities and higher training institutions.

4.4 Attitude Aspects

- Have a rational attitude about private and public issues
- Easy to work with others (economists and other professionals)
- Ready to support state and communities

4.5. Learning Outcomes

After completing those courses presented on the mentioned themes, graduating students will be able to:

- Students will be able use principles and operation of domestic and foreign banking.
- Students will be able proved essence and operations of the different financial markets, and the types of financial institutions in an economy.
- Students will be able understand role of financial markets play in an economy and their structure.
- Students will be provided with detailed theories of production and cost, how firms organize their production process, how firms decide to minimize costs.
- Students will be able understand of the different market structures and how firms behave under different markets.
- Students will be able know working of labour markets and theories of firms, and their applications
- Students will be ffamiliarize with the role of government in developing different policies and manpower planning system.
- Students will ddevelop skills to measures of market power/ market performance/ with empirical work.
- Students will able to use quantitative analysis of economic and non-economic variables so that they can use them in formulating appropriate economic policies that can solve practical and real-life problems of a society
- Explain the role of financial markets and financial intermediaries in the financial system
- Identify those groups that benefit and lose from a move from free to restricted trade
- Demonstrate how to apply economic reasoning to global policy issues in a critical manner

- Students will demonstrate knowledge of the current issues in economics, an appreciation of how economists address international economic issues and be familiar with current research issues in international economics
- Students will understand the economic basis behind current policy debates in international economics
- Address different policy proposals in addressing issues arising in international economics
- Develop presentation skills in addressing theoretical and empirical issues in international economics
- Discuss and analyse nation's international interaction through trade and finance to the rest of the world.
- Explain approaches and techniques of analysing trade and finance internationally.
- Students will accustom the students with basic mathematical tools to understand the already acquired knowledge of economic theories empirically
- Student will acquaint the basics of econometrics, methods of research, types of research, standard research proposal, methods of data collection and analysis,
- Acquire the fundamental developmental concepts to understand contemporary economic problems of developing countries.
- Students will be able to understand evolution of money in the historical context
- Students will be able know outline and present the general framework and the basic methodology for monitoring and impact evaluations for different interventions.
- Students will be able know the basic concept of institutions, theories, models, policies and strategies which are crucial for development.
- Students will be able examine financial management, value of money, risk and return issues & financial analysis, cost of capital, the process of capital budgeting, and the application of important investment appraisal techniques

5. General Objectives of the Program

The program is designed to produce graduates with the necessary knowledge, skills, and understanding of the functions and operations of finance in an economy, role the financial sector plays in development. The program aims at preparing an all-rounded and proficient expert who can handle various duties in the economy –both public and private. It also aims at

preparing students for further studies in finance, economics, and economic development; and self- initiated and problem-solving research in the aforementioned fields.

5 1. Specific Objectives

The program has the following specific objectives

1. Enable students to acquire the necessary knowledge in finance, and the changing economic environment.
2. Produce middle & higher-level experts in finance & economics which satisfy both the public and private sector's needs in the economy.
3. Enable students to comprehend, analyze and critically assess an business entity's financial condition and optimize its value
4. Upgrade the intellectual proficiency of students In research in the areas of economic development.
5. Prepare students for careers in investment management, corporate finance, public finance, insurance, and related fields.
6. Develop a critical awareness of the dynamics of the relevant domestic and international environments affecting the finance sector.
7. Provide relevant consultancy practices through close links with banks, insurances, and professional bodies.

6. Themes and list of courses

- a. List the themes and courses from the core competency identified

Thematic Areas	Courses to be included	Credit Hrs
1. Micro and Macro theory	Microeconomics I	3
	Microeconomics II	4
	Macroeconomics I	4
	Macroeconomics II	3
	Sub-Total	14
2. Quantitative Method for Economics and Finance	Calculus for Economics & Finance	3
	Linear Algebra for Economics & Finance	3
	Econometrics I	3
	Econometrics II	3
	Sub-Total	12

3. Accounting and Financial management and financial institutions	Principle of Accounting I	3
	Principle of Accounting II	3
	Financial Management I	3
	Financial Management II	2
	Sub-Total	11
4. Development Theory & Public Finance	Development Economics I	3
	Development Economics II	3
	Public Finance	3
	Sub-Total	9
	Total	46

Ministry of Education
Higher Education Sub-sector
Test Blueprint Table of Specification for BA degree in Finance and Development Program

Table 1: Test Blueprint

No	Thematic Areas	Cr. H	Share of the mes	Courses of theme	Cr. H	Share of courses	Competencies/ General objective	Chapters	Share of Chapters	Learning outcomes	Learning outcomes and test weight								
											Cognitive						Cognitive	Cognitive	
											Remembering	Understanding	Application	Analysis	Evaluation	Creation/Synthe	Total	Total	Total
The me one	1. Micro and Macro theory	14	30	Microeconomics I	3	7	Enables the student to make economic analysis & interpretation from firms & households” perspective	Theory of consumer behavior and Demand	1	To introduce students to the fundamental concept of individual decision-making units		1					1		
								Choice Involving Risk	2	acquaint the students with the neoclassical theory of consumer behaviors, how each consumer makes decision to maximize her/his utility.		1					1		1
								Theory of Production and cost	2	Provide the students with detailed theories of production and cost, how firms organize their production process, how firms decide to minimize costs.			1				1		1

							Market structure	1	Offer a deeper understanding of the different market structures and how firms behave under perfectly competitive & pure monopoly								1	1	
							Pure Monopoly	1									1	1	
				Microeconomics II	4	8	Provide the students with detailed imperfect market structures, how firms interact with different strategies in factor and product market	Monopolistic Competition	1	Identify the features of monopolistic competitive market structure.						1	1	1	
								Oligopoly Market Structure	2	Explain how equilibrium price and output determined in collusive and non-collusive oligopoly						1	1	1	
								Introduction Game Theory	2	Identify optimal strategy of players								1	
								Pricing of Factors of Production and Income Distribution	2	Explain the profit-maximizing rule in the factor market under different market structure						2			
								General Equilibrium and Welfare Economics	1	Understand the difference between partial and general equilibrium						1		1	
				Macroeconomics I	4	8	Introduce students with aggregate economic	The state of macroeconomics	2	Describe the concept of National Income Accounting.						1		1	

						variables such as Saving, Investment, Money, Inflation, Income determination, Unemployment and others using various economic models	National income accounting	2	Explain the controversies in macroeconomics.		1					1	1	
							Aggregate demand in open economy	2	Explain basic IS-LM model							2		
							Aggregate supply	2	Use macroeconomic policy instruments							2	2	
						Macroec onomics II	3	7	To enable critically examine the macro neoclassical synthesis'' followed by theories discussed so far in the context of developing countries.	Behavioral foundations: theories of consumption	1	Discuss the different hypothesis of consumption demand		1			1	
									Theories of investment	1	Discuss the determinants of investment							1
									Macroeconomic policy debates	2	Analyze the demand for money in relation to money supply		1			1	1	
									Models of macroeconomic growth	2	Explain the various model of growth and economic development				2		2	
									Macroeconomic theories and	1					1		1	

The me two	2. Quan titative Method for Economic s and Finance	12	26	Calculus for Econom ics & Finance	3	6	This course is prepared to develop the topics of differential and integral calculus. More emphasis is placed on limits, continuity, derivatives and integrals of algebraic and transcendental functions of one variable	Revision of Function and Limit	1	to differentiate Multivariable Functions, Inverse and Implicit Functions, Exponential and Logarithmic functions	1						1			
								The Derivatives	1	The ability to differentiate any algebraic or transcendental function				1			1			
								Univariate Calculus and Multivariate Calculus	2	Apply differentiation to determine roots of equations to determine maxima and minima of function				1	1		2			
								Integration	2	Apply integration to determine volumes, areas, and averages					1	1	2			
				Linear Algebra for Econom ics & Finance	3	7	This course enables to understand matrix, linear algebra, input and output linear programming.	Matrix Algebra	1	An understanding of symbolic logic, basic properties of number systems, vectors and matrices						1		1		
								Systems of Linear Equations	1	Understand matrix solution for simultaneous equations				1			1			
								Special Determinants & Matrices in Economics	1	The applications of linear Algebra to certain sorts of problems in solving systems of simultaneous equations			1			1				
								Input-Output Analysis and Linear	2				1			1		1		

							estimation methods	Panel Data Regression Models	2	Understand the motivation and estimation methods of simultaneous equation modeling;								2	
The me three	3. Accounting and Financial management and financial institutions	11	24	Principle of Accounting I	3	7	Introducing students to the accounting basics, nature of business organizations, accounting basic principles and practices, and accounting procedures.	Introduction to Accounting and Business	1	At the end of the chapter students will be able to properly Introducing the accounting basics, nature of business organizations, accounting basic principles and practices, and accounting procedures.						1		1	
								Accounting cycle for service-giving business	1	At the end of the chapter students will be able to properly record, Analyze, and report transactions for service giving business									1
								Accounting cycle for merchandising business	1	At the end of the chapter students will be able to properly record, Analyze, and report transactions for merchandising business									1
								Accounting for manufacturing businesses	1	At the end of the chapter students will be able to properly record, Analyze, and report transactions for manufacturing business									1
								Accounting Systems	1	At the end of the chapter students will be understand principles of accounting information systems						1		1	
								Cash and Receivables	2	At the end of the chapter students will be understand the control of cash and receivables								2	

				Principles of Accounting II	3	6	The course deals with receivables from current assets, and fixed assets and intangible assets. The course also deals with current liabilities and Ethiopian payroll systems. In addition, the course exposes students to basic accounting for partnerships, limited liability companies, and corporations	Inventories	1	understanding the meaning, importance and effects of inventories. It also discusses the inventory systems and determining actual quantities in inventories.		1					1		
								Plant Assets and Intangible Assets	1	understanding the meaning and nature of plant and Intangible Assets, acquisition costs, and the related cost allocation (depreciation) of plant assets.		1					1		
								Payroll Accounting	2	understanding the accounting for payroll, payroll tax liabilities, the techniques and procedures used in computing personal income tax, pension contributions, and other deductions are discussed in detail.					2		2		
								Accounting for Partnerships	1	understanding the accounting for partnerships such as recording investments, computing each partner's share of income or losses using different techniques, and recording them to the respective capital accounts.					1		1		

							Accounting for Corporations	1	understanding the different issues related to a corporate form of organization such as the characteristics of a corporation, accounting and reporting practical for the issuance of stocks.							1	1		
				Financial Management I	3	7	To perform simple financial analysis, based on the concept of time value of money and the trade of between risk and return. They can determine the cost capital of the firm and demonstrate the skills they acquire by participating in a firm's effort to evaluate long term investment projects.	An overview of Financial Management	1	understanding the meaning of finance, classification of finance, evolution of finance and sources of finance.				1			1		
								Analysis of Financial Statement	2	understanding the term financial statements, importance, objectives, uses, financial analysis meaning, importance and techniques of financial analysis			1		1		2		
								Time value of Money	1	To understanding the meaning of time value of money, it's importance in our day-to-day life.				1			1		
								Risk and Rates of Return	1	To handle the investment decision process of a business entity, and manage the bond equity valuation in a financial market. They will contribute to the profitability of the company.									1

							Agriculture and Economic Development	1	The Structure of Agrarian systems in the Developing World		1					1		
							International trade and economic development: the trade policy debate and Industrialization	1	Role of foreign trade in development		1					1		
							Foreign aid, debt, financial reform and development	1	Role of foreign aid in development proces			1				1		
				Public Finance	3	7	The course is to acquaint students with various concepts, theories and realities of public finance such as the rationale for state in the economy, the sources and types of revenue for the public, taxing system and types of taxes,	Nature and Scope of Public Finance	1	Provide arguments for the case of government intervention in a modern economy		1				1		
							Welfare Economics and Public Finance	1	Identify externalities, their impacts, and evaluate the relative merits of various public sector interventions designed to resolve the associated issues.			1				1		
							Public Revenue and the Economics of Taxation	2	Distinguish between tax avoidance and tax evasion and articulate the considerations relevant to the design of public policy to minimize tax evasion				1		1	2		
							Public Expenditure	2	Explain and critically evaluate the concepts of equity and efficiency as a basis for decision making in taxation and public expenditure				1		1	2		

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Higher Education Sub-sector

Calculation on share of themes, courses, competencies for a Program

Program Name: - Finance and Development Economics

Table 2: Example for the calculation of share of themes, courses and items from a course from a total of 100 test items for one program

Themes	Course Name	Learning outcomes	Credit hour	Weight of course or proportion	Number of test items from each course	Cognitive						Affective	Psychomotor	Total
						Remember	Understand	Apply	Analyze	Evaluate	Create			
Theme One Share = 30 items from the total	1		3	$3/14 = 0.214$	$0.214 \times 30 = 7$	-	2	1	1	-		2	1	7
	2		4	$4/14 = 0.28$	$0.28 \times 30 = 8$	-	1		3	2		2		8
	3		4	$4/14 = 0.28$	$0.28 \times 30 = 8$	-	1	1	2	-	2	2	-	8
	4		3	$3/14 = 0.214$	$0.214 \times 30 = 7$	-	1	1	3	-	-	2	-	7
	Theme one total credit		14											
Theme Two Share = 26 items from the total	1		3	$3/12 = 0.18$	$0.18 \times 30 = 6$	1	-	-	2	2	-	1	-	6
	2		3	$3/12 = 0.18$	$0.18 \times 30 = 7$	1	-	3	1	1	1	1	1	7
	3		3	$3/12 = 0.18$	$0.18 \times 30 = 7$	1	-	-	3	-	-	2	1	7
	4		3	$3/12 = 0.18$	$0.18 \times 30 = 6$	-	2	-	2	-	-	2		6
	Theme two total credit		12											
Theme Three Share = 24 items from the total	1		3	$3/12 = 0.27$	$0.27 \times 37 = 7$	-	1	-	1	1	2	-	2	7
	2		3	$3/12 = 0.27$	$0.27 \times 37 = 7$	-	2	-	-	4	1	-	-	7
	3		3	$3/12 = 0.27$	$0.27 \times 37 = 6$	-	-	1	1	1	1	2		6
	4		2	$2/12 = 0.181$	$0.181 \times 24 = 4$	-	1	3	-	-	-	-		4
	Theme three total credit		11											
Theme four Share = 20 items from the total	1		3	$3/9 = 0.333$	$0.333 \times 20 = 7$	-	1	3	1	-	-	2	-	7
	2		3	$3/9 = 0.333$	$0.333 \times 20 = 6$	1	2	1	-	-	---	1	1	6
	3		3	$3/9 = 0.333$	$0.333 \times 20 = 7$	-	-	1	3	1	2	-	-	7
	Theme three total credit		9											
Total for the program			42			4	13	15	23	12	9	19	5	100

Note: The number of items assigned in the levels of domains is based on the nature of learning outcomes/objectives

Ministry of Education
Higher Education Sub-sector
Share of Competencies (KSA) per Courses

Program Name:- Finance and development Economics

Table 3: Summary for Share of competency per courses

R.No.	Themes	Course Name	Cr Hours	Share of Courses (%)	Share of Competencies (in %)		
					Knowledge	Skill	Attitude
1	Micro and Macro theory	Microeconomics I	3	7	6	1	-
		Microeconomics II	4	8	6	1	1
		Macroeconomics I	4	8	4	2	2
		Macroeconomics II	3	7	5	1	1
2	Quantitative Method for Economics and Finance	Calculus for Economics & Finance	3	6	3	3	-
		Linear Algebra for Economics & Finance	3	7	6	-	1
		Econometrics I	3	7	5	2	
		Econometrics II	3	6	5	1	
3	Accounting and Financial management and financial institutions	Principle of Accounting I	3	7	5	1	1
		Principle of Accounting II	3	7	4	2	1
		Financial Management I	3	6	4	1	1
		Financial Management II	2	4	2	1	1
4	Development Theory & Public Finance	Development Economics I	3	7	2	1	4
		Development Economics II	3	6	3	1	2
		Public Finance	3	7	3		4
		Total (Aggregate)	46	100	63	18	19

10.CONCLUSION

Having a competent base exit exam guide in finance and development economics program enables our graduates to have a solid understanding of microeconomic theories, macroeconomic theories, fundamental accounting, financial accounting and institutions and other economic and finance issues for intelligent applications of economics development in a way that improve the quality, relevance and output of undergraduates in economics in Ethiopia; to identify necessary methodologies in economics & finance which explain the economic phenomenon, undertake economic analysis and design economic policy; to highlight the different applications of economic theories in various sectors and expose the students to the different sub-discipline of economics like labore economics, agricultural economics, industrial economics, institutional and

behavioural economics, cost accounting, financial institutions, etc; to develop skill of planning, project preparation, monitoring and evaluation; to offer short term training courses and provides consultancy service for different organizations and community; and to show students how economic science evolved, its present and future vision of the field and make them up-to-date with the dynamism of the field.

Accordingly, as set out in this guideline, **15 core courses** are identified to be included in the exit exam under **four thematic** areas with the appropriate weight provided for each theme. The courses are selected by considering the profile of the graduate, the core competencies and learning outcomes to be achieved. It is also worth noting that the core competencies and thematic areas are designed by considering the major areas in finance & dev't economics as provided in the revised curriculum.