SABBATICAL REPORT
Michael Santos, Spring 2016

During my sabbatical period, I taught an MBA course to graduate students in Canada and published two academic journal articles.

1. Teaching a finance MBA graduate course at the Peter B. Gustavson School of Business, University of Victoria (Uvic), Victoria, British Columbia V8W 2Y2, Canada

In my MBA 530 Managerial Finance course, I taught 34 graduate MBA students with diverse backgrounds (about 60% of students were from other countries including the U.S.A.). I used a well-known textbook for the course, “Fundamentals of Corporate Finance”, by Ross, Westerfield, Jordan, & Roberts, 8th Canadian Edition, McGraw-Hill Ryerson, 2013,” and made the students apply Excel worksheet extensively during the classroom hours and in the projects and other assignments.

Thus, teaching in Canada gave me a great opportunity to interact with the graduate students with diverse backgrounds, Canadian faculty members, staff, and administrators. The Peter B. Gustavson School of Business is an AACSB accredited school and requires every faculty member to file an assessment report about each finance course. I assessed the students with a course-embedded assessment methodology and filed the assurance of learning assessment report based on the following publication that my colleagues and I at the School of Business and Economics (SBE), Sonoma State University published a journal article:


The main tenets of this published paper was to group multiple-choice questions based on the student skill levels (knowledge, calculation, quantitative reasoning, and analysis) from the lowest skill level to the highest skill level. I found that the MBA students at Uvic were comfortable with knowledge and calculation questions but were challenged by the quantitative
reasoning and analysis types of questions. The report was well-received by the Uvic administrators and this experience gave me another opportunity to apply and test the main ideas presented in the publication above at Peter B. Gustavson School of Business, University of Victoria, Victoria, BC. Canada.

2. Two pedagogy manuscripts were completed during the sabbatical period and recently accepted for publications in the educational journals


In this first pedagogy study, we presented and calculated policy reserves of a life insurance firm by using simple examples and provided the applications of the Statutory Accounting Principles (SAP) for a typical life insurance balance sheet and income statement.


In the second pedagogy study, we made changes to life insurance premiums and interest rates to assess the sensitivity of policy reserves, that is typically recorded in the liabilities side of a balance sheet. We found that small changes in both premiums and interest rates affect Earnings Per Share (EPS) or Net Income (NI) significantly. Therefore, we concluded that the annual fair premiums proposed by the life insurance firms to the state insurance departments may require extra scrutiny to avoid a future insolvency problem among life insurance firms.

The ideas exploring the sensitivity of policy reserves to premiums and interest rates for life insurance firms presented in detail in the two published papers came from the teachings of BUS 476: Risk Management and Insurance course at SBE. I thank my colleagues at SSU, Dr. Vincent Richman and Dr. John Urbanski, and Dr. Ramon Baltazar at Dalhousie University, Halifax, Nova Scotia, Canada for spending tireless long hours with me through emails and phone calls to write, revise, and read those papers many times before the publication.