THE APPROACH TO THE TEACHING FINANCE TO MASTERS IN ECONOMIC DEPARTMENT OF NOVOSIBIRSK STATE UNIVERSITY

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Abstract

Nowadays universities in Russia face some challenges connected with the globalisation of high education, increase of competition, reform of Russian education system, changes in the analytical abilities of students, etc. Thus, it is necessary to concentrate on the best points the university has and to improve what needs special attention. The paper is devoted to the modern situation in teaching at Novosibirsk State University.

Keywords: Education, science, finance, international projects, intercultural communication.

1   NOVOSIBIRSK STATE UNIVERSITY

Novosibirsk State University (NSU) is a young Russian university but it has a high rank among universities of our country. It was founded in 1958. Now there are about 6.5 thousand students studying at NSU.

In 2009 NSU gained the status of a National Research University.

NSU is situated in Akademgorodok, a scientific center with more than forty research institutes not far from Novosibirsk. It houses the Siberian Branch of Russian Academy of Sciences (SB RAS). As a rule, a lot of scientists working at the institutes of SB RAS are professors of NSU. This fact is the main feature of our university which determines important connection between the process of education and scientific research.

2   POTENTIALITIES INHERENT IN THE TIME OF UNIVERSITY'S FOUNDATION

First of all NSU was founded as a place for preparing highly qualified scientists for Akademgorodok's research institutes, which comprise this science and research cluster. The cluster also includes some pilot plants, enterprises, commercial banks and other organizations which aim at implementing inventions, fostering innovations and developing new products, methods and other applications.

Economic science in Akademgorodok is presented by the Institute of Economics and Industrial Engineering of SB RAS. It was the first academic scientific organization of economical profile to the east of the Urals. The Institute's main scientific trends are connected with the following areas [1]:

- Rational distribution of labor force and production resources for the harmonious territory planning and management to ensure economic and social development of the country;

- Coordination between various domestic industries with the view of economic strength growth and harmonious development of the society;

- Formation and support of the permanent Directors Club consisting of the high-ranking managers of large domestic enterprises which has become a platform for discussing advanced ideas for enhancing business management.

- Development of sociology as a science.

NSU, having few laboratories of its own but founded with the prospect of integrating into the SB RAS institutes' research activities, is closely connected with the institute and has its own small scientific subdivision.

During the Soviet period the state was the customer of research works and financed them. In that period the education process in economics had its specific features. It had a focus on using quantitative methods and simulation methods in economics. Students of the Economics Department gained the major Economical Cybernetics. In the Soviet period the only course in finance was "Credit

and Finance", which covered the issues of investment in enterprises and giving credits, financial accounting, state budget, private and domestic property insurance. Stock market was not an issue for studying being a non-socialist financial element.

Since 1965, we have witnessed certain gradual broadening of our enterprises' independence in economic operations and using market instruments, which could not but influence teaching finance.

It is very important to emphasize the following features of SB RAS and NSU which were inherent for both structures:

1. Strong connections between science, education and practice with an emphasis on evaluation and application of the foreign experience, development and use of innovations.

2. Active use of mathematical methods in scientific researches and in the process of education.

3. Consistency: enterprise models are not considered separately but in conjunction with the models of industry branches, territories and national economy. In classic tutorials of the Siberian economists money flows are correlated with material indicators [2].

When speaking about business simulation games (BSG) and other interactive educational tools it must be admitted that business gaming came from the Soviet Union. The first BSG in the USSR and in the whole world was played on June 21-23, 1932 at Leningrad Institute of Engineering and Economics (LIEE). The game simulated final stage of commissioning of the newly built Ligovo typewriter factory. Simulation exercise of LIEE proved technical feasibility of simulation of such complicated process as a production start up and revealed lots of alternatives for reducing the start-up period. In the USA the history of business simulation games dates back to the late fifties ("Top Management Decision Simulation" – 1956, "AMA" – 1957 and some others).

In 1970-1980 the business gaming usage in the USSR grew rapidly, simulation and gaming schools appeared in Moscow, Leningrad, Kiev, Novosibirsk. Business gaming started to be widely enlightened; simulation exercises were used not only in educational process but also for solving real economic problems.

M.V. Lychagin and A.A. Perfilyev – employees of Novosibirsk State University - were the first ones who developed a complex of business simulation games for teaching corporate financing and crediting [3].

3   THE INFLUENCE OF RUSSIAN ECONOMY REFORM

Russia's entering the way of making capitalist market caused destruction of interrelations between the state and Akademgorodok. At that period the amount of scientific research dropped drastically, as well as the demand for young scientists.

The limited frameworks of our University and our Department could be regarded as a kind of obstacle in the competition with other universities, and the status of an independent scientific research organization was disputable. The potentialities inherent in the time of the University's foundation were weakened for a while. But now we are going through a period of renewal in the relations between science and education, or re-engineering. Nowadays NSU could be considered as a center of the scientific research cluster where changes take place.

Russian reforms of economy, policy and educational system have immensely influenced our University's life. During the recent twenty years, we have had some changes connected with the following areas: 1) the University structure (new departments have appeared), 2) the educational process (Bachelor's and Master's Degrees were accepted instead of a Specialist's Degree), 3) approaches in the methods of teaching (the reform of the educational system has unfortunately led to weakening of the analytical ability of nowadays young people, which should be taken into account). These changes and the rise of competition among Russian universities bring about the increase of international activities.

In the 1990s, NSU managed not to lose its high educational level in teaching sciences. As for teaching humanitarian sciences, it had to change. A very important role in the development of education in NSU belongs to international cooperation. One of the results of this cooperation is quite a number of textbooks, workbooks and monographs published. One of them is "Financial innovations: Foreign experience" [4].

This book explored financial innovations in western countries and the ongoing issues related to them. The focus is on developing integration of research, education and managerial practice.

Chapter 1 covers the research aspect. It includes the classification system from the Journal of Economic Literature (JEL) applied for journal articles and provides the numbers of articles for each classification item in 1991 and 1994. It is possible to consider the tables in this article like "maps of economic knowledge".

Three sections in Chapter 2 examine three approaches to financial education and professional training in France and the UK: 1) the structure of the French educational system and their approaches to higher economic education; 2) approaches to banking education in the EU states; 3) a new concept in university education combined with industry training offered by the ISMA Centre for Education and Research in Securities Markets at the University of Reading.

In Chapter 3, readers are given the opportunity to consider how financial innovations and integration of practice, research and professional training influence the strategies and various performance measures of the three well known leading banking groups (the Rothschild's, NatWest Group, Dresdner Bank Group), and Paris financial markets.

The systematization of knowledge in economics gave an opportunity to introduce new majors at the Economics Department, such as Law (Economics and Law) and Business Administration, and to add a library stock with new text books to support.

In spite of great changes, the main idea of NSU education stays the same from the time of the University's foundation: "We are not teaching the students any particular trade but teaching them how to study what they need (and find the answers they want)". Hence, in the education process we accentuate on comprehension and logic of economics disciplines, some methodological recommendations. For NSU graduates it means their increasing ability to compete at the education market: many of them enter Master's programs of NSU or other Russian or foreign universities.

4 TEACHING FINANCE AT THE ECONOMICS DEPARTMENT OF NSU NOWDAYS

The process of teaching finance has two main directions:

- teaching the general idea of finance and financial systems;
- providing specialisations in some finance fields.

Students get general knowledge about finance and financial systems from the disciplines which are obligatory: "Financial Markets", "Corporate finance", "Investment projects". In a way teaching finance at the Bachelor's level is based on the ideas of international principles, but at the Master's level the Economics Department holds to its traditions. Although the traditions have not had a very long history yet and are still forming now, the department tries to be individual and uses its strength. An example of disciplines at the Bachelor's and Master's levels taught at the subdivision "Business Administration" [5] is shown in Tab.1, Tab.2, and Fig.1.
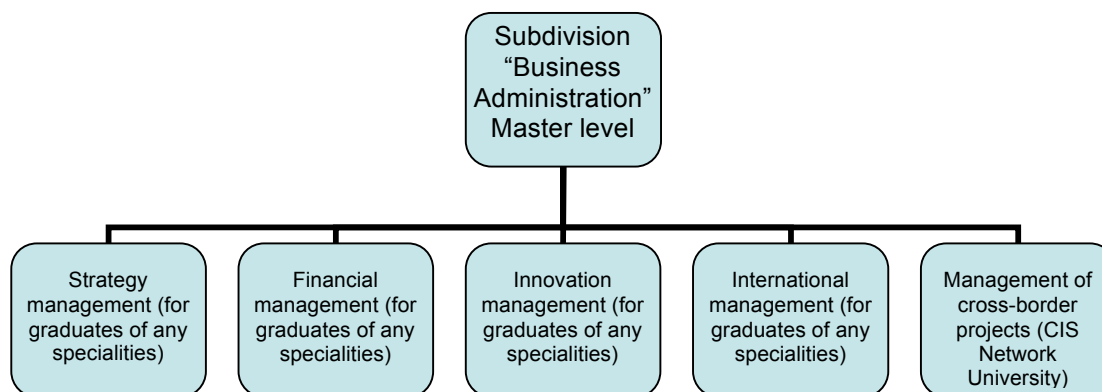

Fig.1. Master's Programs at the Subdivision "Business Administration" of the Economics Department of NSU, 2012 – 2013 academic year.

The structure of finance courses for Masters includes 1) the obligatory part, which comprises general scientific, regional and university's chosen items, 2) student's electives (Tab.1). The final term is full of practical and scientific research, which implies work with a scientific advisor. It includes research work, scientific workshops, scientific and pedagogical practice and working on the Master thesis. They are connected with the courses of the Bachelor level (Tab. 2).

Tab.1. The Structure of Financial Courses for Master's Program "Financial Management", Master level

Subdivision "Business Administration", Master Level Master's Program "Financial Management"			
1st academic year		2nd academic year	
1st term	2nd term	3rd term	4th term
Corporate finance (3, A)*	Risk management (3, B)	Financial economics (3, B)	Stock market (2, C)
	Investment management (2, B)	Financial instruments of project management (3, B)	
	Global relations in credit and foreign exchange (3, B)	The economics of money and credit markets (2, C)	
	Global finance (2, C)	Taxes and management (2, C)	
		Financing of innovations (2, C)	

* - in brackets: the number refers to the number of credits (Russian system), the letter - belonging to the part of the curriculum (A – obligatory item, B – university's chosen items, C – student's chosen item)

Tab. 2. The Structure of Financial Courses for the Subdivision "Business Administration", Bachelor Level

Subdivision "Business Administration", Bachelor Level				
2nd academic year	3rd academic year		4th academic year	
4th term	5th term	6th term	7th term	8th term
Calculation and analysis: accounting analysis (4, A)*	Calculation and analysis: management analysis (3, A)	Calculation and analysis: financial analysis (2, A)	Risk management (3, B)	Methodology of finance (1, B)
Cost management (1, B)	Financial management (4, A)	Financial markets and institutions (3, A)	Crises and crisis management (2, B)	Principles of financial engineering (1, B)
Principles of finance lease (1, B)	Analysis of investment projects (4, B)	Banking management (3, B)		Mortgage lending (1, B)
Principles of insurance (1, B)				Global finance markets (2, B)
Taxes calculation (2, B)				International standards in accounting (2, B)
System of national accounts in Russia (1, B)				Financial instruments of real estate market (1, B)

* - in brackets: the number refers to the number of credits (Russian system), the letter - belonging to the part of curriculum (A – professional cycle, basic part item, B – professional cycle, variable part item)

The financial courses at Master level are based on the financial courses studied at the Bachelor level, which are unique for the Subdivision "Business Administration". There is the only division according to their belonging to the basic or variable parts.

One more important issue in teaching finance to Masters is the support provided by the Bachelor courses of economics and mathematical methods. The use of this knowledge determines the profundity of further scientific problems investigation, which the professor could examine, or scientific tasks, which could be set to the Master by his/her scientific advisor.

Master's programs to a greater extent than Bachelor's ones are oriented on self-guided work and acquiring a habit of scientific research. Hence, a very important place in the professor's work with Masters belongs to research projects.

The chiefs of the research projects are chosen among the scientists of the Institute of Economics and Industrial Engineering, and it forms the specializations of the Master's programs. These projects could be interesting not only for the scientists of the Institute of Economics, but also for NSU professors, the scientists of other research institutes, the Technology Park in Akademgorodok and the top-management of local companies.

Every year the scope and the structure of projects change. It allows using the potentialities of the science research cluster, business, and specialists of innovative companies. The themes of the projects are proposed by scientists, given consideration by the Chairs at NSU, and approved by the Head of the Economics Department.

5   THE IDEA OF "CIS NETWORK UNIVERSITY"

One of the new big international projects of our University which gave a stimulus of development for Master's programs at the Economics Department is NSU's entering the consortium of the leading universities of former Soviet Union under the name "Commonwealth of Independent States Network University".

The participation of NSU in this project changes the process of forming the Master level at the Economics Department considerably. The number of students is increasing, including some foreign student who come to study in the frameworks of this program. Last academic year there were 30 foreign students from seven universities of three CIS countries: Kazakhstan, the Kirgiz Republic and the Republic of Tajikistan.

The project "CIS Network University" stipulates a close collaboration with universities of former Soviet Union and aims at increasing the quality and attractiveness of high education.

The agreement was signed in the summer of 2009 and is mainly concerned with the Master's programs on Economics and Business Administration. The programs last for two or two and a half years including one academic year in the partner university and one or one and a half year in the "native" university. At the end of the program students present their Master thesis to get diplomas of the both universities where they studied.

CIS Network University is functioning as a consortium whose members are the leading universities of CIS countries, Slavic universities, and the universities which provide wide CIS interconnections. Nowadays there are 16 universities involved – partners of CIS Network University from eight countries: Armenia, Belarus, Kazakhstan, Kirgizstan, Moldova, Russia, Tajikistan, and Ukraine.

It is necessary to mention that NSU had experience of teaching students from different parts of former Soviet Union in Soviet time. It was named "target-oriented admission". Students of that program had to come back into the organization (and that city) which sent them to study at NSU for five years.

From our point of view, the "CIS Network University" project has very good features but there are some discussing points. The advantages of this project include certain enhance of NSU prestige, new international connections, student's and professor's mobility. However, it is necessary to improve the system of student's admission to the Master's programs to increase the quality of their education.

6   INTERCULTURAL COMMUNICATION FOR TEACHING PURPOSES

One of very important issues of the educational integration process is the problem of intercultural communication. In spite of the fact that this project involved people of national cultures which used to be very close 20 years ago and represented one multinational state, there are some differences in

their attitude to social realm. It can influence their success during their academic adaptation and further results.

Knowing habit patterns in intercultural communication and understanding behaviour motivation of the peoples from different cultures are very important elements in any kind of communications.

In this paper we try to estimate potentialities and success of interaction and probable difficulties in intercultural communication by using theoretical approach and applying it to the real situation. We were guided by the Hofstede Model of six dimensions of national cultures [6]. They are as follows:

- Power Distance is the extent of acceptance by the society members of social and power inequality.

- Uncertainty Avoidance is the extent of uncertainty which is experienced by the society members in unforeseen situations.

- Individualism versus Collectivism is an acceptance by society members that 1) the personal achievements and responsibility are independent from collective convictions, or 2) collective opinion is predominant.

- Masculinity versus Femininity is prevailing some character values inherent in men (energy, assertiveness, competitiveness, making a quick decisions, pursuit of success) or in women (concern for people, help for less successful society members, compassion).

- Long Term Orientation versus Short Term Orientation is reflected on long or short term aims.

- Indulgence versus Restraint is a society feature connected with customs and religions, restrictions in social relations and private feeling of happiness.

The two last dimensions were introduced by G. Hofstede not long ago. As there are no indexes of these dimensions for many countries yet, we could analyse only the first four dimensions for the countries we are interested in. It was difficult to analyse them because of the lack of indexes for some countries. We used the data from the G. Hofstede's web-site [7]. For collecting the data we took into consideration that, for example, the authors assumed values of Russia for Belarus and values of Yugoslavia for Moldova. There are dimension indexes for the Muslim religion countries as well[8].

The comparative analysis of the dimension indexes for the countries is based on the data from Tab.3. The scale of each dimension can vary from 0 to 100.

Tab.3. The Dimensions of National Culture: The Hofstede Model

Country	Power Distance	Uncertainty Avoidance	Individualism versus Collectivism	Masculinity versus Femininity
Armenia	76	86	26	28
Belarus	93	95	39	36
Kazakhstan	68	55	22	41
Kirgizstan	70	55	22	45
Moldova	76	88	27	21
Tajikistan	68	55	22	41
Ukraine	96	93	38	40
Russia	93	95	39	36

Sources: [7], [8], [9], [10], [11], [12], authors' estimation

Tab.3 shows that there are some differences in indexes, but they are not principal.

Power Distance Indexes are close to maximum for three countries in a group: Belarus, Ukraine, and Russia. The other countries are characterised by lower indexes but it is a fact that the whole group of countries belong to the type of societies with the acceptance of income and power inequity among

society members. This fact could mean that it is very important to take into account a psychological aspect of teaching; moreover, the professor could discuss the problems of interrelation between business and power, influence of this interrelation on the process of taking a business decision.

Uncertainty Avoidance Indexes are high for the most of the group members. It means that the people of these cultures aim at understanding the situation and getting the maximum information to explain it.

Individualism versus Collectivism Indexes are low. All the regarding national cultures are collectivist societies. And for the countries with domination of the Muslim religion these indexes are lower than for Christian ones. It doesn't mean that the individual tasks have to be belittled, but the teacher should realize that the students would work with more diligence and zeal doing group tasks.

Masculinity versus Femininity Indexes are low, too. Hence, from our point of view it is not necessary to use some additional competition elements among students. Of course, there are students who make good progress and those that do not. But everybody should see the results of his/her work and possible perspectives. The students should be motivated.

For confirmation (or checking) of the theoretical statements and research in this scientific field we have asked students who began to study at the Master level this academic year to fill a questionnaire. There have been 43 students from four countries (Kazakhstan, Kirgizstan, Russia, and Tajikistan) interviewed. The questionnaire consisted of 50 questions.

The example of the questions is given below.

1. What university did you graduate from?
2. How many years did you spend for getting your Bachelor's degree?
3. Do you need a course of Russian for studying at NSU?
4. Do you know what the rating-mark system is? (yes/no)
5. How do you feel about the rating-mark system?
    a. It is perfect.
    b. It is very good for students.
    c. It is used by professors for estimating students with lower mark.
    d. It has to be changed by an oral exam or the test.
    e. I have my own proposal _____
6. Do students of your university cheat in tests or exams? (often/ not very often/ rare/ never)
7. Could the teacher be always right? (yes/no)
8. Should the teacher know absolutely everything in his/her course? (yes/no)
9. Do you like to do individual tasks more than to work in a group? (yes/no)
10. Do you use the Internet for doing most of your homework? (yes/no)
11. Do you have a favourite textbook? Which one?
12. Do you have a job? (yes/no)
13. Do you have time for working and studying at university at the same period? (yes/no)
14. Are you studying for getting knowledge in a particular field or understanding principles of economics?
15. When was the CIS founded?

From our point of view, the theoretical statements conform to the results of filling the questionnaires.

It was interesting not only to get the results, but also to analyze the process of getting them. For example, some students tried to find collective answers for individual questions.

The analysis of Hofstede Indexes and the results of the questionnaire used let us make some methodological conclusions. For working with the student groups with regard to national cultures, to our mind, it is very important to pay attention to the following:

- To prepare the material to lectures and seminars thoroughly and send them partly to the students in advance - it gives them an opportunity to examine the material, to prepare some questions and be ready to discuss it.

- To give more attention to the discussion of modern economic problems in finance field, the analysis of practical situation (cases) and the collective presentations within the group.

- To include the tasks with an accent to the national economies' elements; it gives the opportunity for the students to demonstrate their knowledge of the national economic problems and the role of the national companies in national and global economy; it could be a stimulus for studying harder.

- To estimate student's work very carefully. The system of marks should be absolutely clear for all of them. The students should have an opportunity to display themselves in any kind of tasks.

- To take into account psychological issues - the professor for this kind of student groups has to be not only a coordinator but also an expert and a source of great amount of information and knowledge.

7 CONCLUSIONS

The main issues considered in the paper and taken into account in the teaching methods at the Economics Department of NSU are the following:

- Keeping the educational and scientific traditions which were created in the time of foundation of Novosibirsk State University, the connection between process of education and research.

- The ability of university professors "to teach how to study" that allows NSU graduates and Masters to get a habit of quick adaptation to any field of further activity and its conditions.

- Coordination of finance courses for Bachelor's and Master's programs, active use of student's knowledge of economics and mathematic modelling in finance.

- Paying more attention to scientific and research work in Master's programs; active student's participation in the research projects under the supervision of leading scientific advisors from the Institute of Economics and Industrial Engineering of the Siberian Branch of the Russian Academy of Sciences.

- Professors adaptation to the new structure of student groups at Master's programs with the help of the intercultural communication theory.

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