PRACTICE-ORIENTED FINANCE EDUCATION: AN EXAMPLE FROM THE UNIVERSITY OF MISKOLC

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"All theory, dear friend, is gray,
but the golden tree of life springs ever green."
(Goethe)

The Bologna process has changed the higher education training system. During the six or seven-semester BSc training the practice-oriented basic training is available whereby the fresh graduates can cope with the labour market, while students who want to have a theoretical immersion can continue their studies in the master's program. The practice-oriented approach requires new methods in education. It is necessary for higher education institutions to reflect constantly on the labour market needs. A recent survey of our graduates shows that the major deficiency in the training of economics is the lack of a practical orientation. The Department of Finance at the University of Miskolc uses many methods in its training to combat this problem. Starting from their second year, we direct the students more and more towards the solution of practical problems using problem-based learning techniques. Through the problem-based activities and tasks, students have the opportunity to improve their practice-oriented knowledge, which gives them a better chance at finding and holding onto their first job in the profession.

Keywords: BSc training, practice-orented higher education, problem-based activities, competences

The purpose of the BSc training

According to the basic idea of the Bologna's transformation, the essence of the multi-cycle training system is the follows: during the six or seven-semester bachelor training, the practice oriented basic training is available whereby the fresh graduates can cope with the labour market. Students who want to have an in-depth theoretical immersion can continue their studies in the master's program.

It is a serious challenge for the universities/colleges how it is possible to develop a basic training that meets labor market needs. At the same time it needs to provide an appropriate theoretical foundations and approach for those who want to continue their studies in the master's program (Barakonyi, 2009). The previous practice in higher education was that they provided the theoretical knowledge first, and with this background they progressed

towards the practical skills. The question naturally arises how the university can provide practical skills to the students for their successful entrance to the labor market and for enabling them to continue their master's studies at the same time.

A further issue is that higher education institutions – especially those in which the practice-orientation was never a primary consideration, and who defined themselves as scientific workshops – how they can accept and handle the fact as a priority that the introduction of the Bologna training means training a significant proportion of students for an early exit from higher education to the labor market. The colleges were in a easier position in this respect because these institutions, even before the introduction of the Bologna system, conducted professional training rather than academic training. Obviously their background gives more support to them in the practical development of the basic training courses (Dávid, 2008).

Transfer problems of professional skills, competencies, skills

The keyword of this paper is *practice-oriented education*. The definition of this term seems simple at first glance: provision of training content to enable new employees to join in the work very quickly.

Employers – besides professional skills – require from the candidates that they accept the work organization's requirements and based on them they are able to carry out their tasks devotedly (in a motivated manner). In other words, they should have all the basic and professional competencies and the job skills required for the new employee to have the proper working capabilities to work in teams.

The employers have diverse expectations from the higher education about the practice-oriented bachelor level training. The corporations claim that the starter should have a "professional sense", they should be able to work in the activities of organization from both a professional and human point of view, and finally that they should be able and motivated to learn and work. These are rather high expectations, and many people believe that they are unfeasible in the current system. The employers' expectations can be categorized into three groups:

- Professionalism
- Linguistic and IT preparedness
- Human and social preparedness.

Linguistic and IT preparedness, like professionalism, and are relatively easy to measure. However, to determine human and social preparedness is difficult. These are skills which are necessary to cope successfully in the labor market. The solution to this problem can be the development of these skills and/or the revision of the university curriculum (but more likely the secondary school curriculum). The current trend is that the universities call for attention of the students to address these areas of development, but the reality is only a small proportion of students begin to learn something about themselves. To obtain these skills is primarily an individual aspiration of students rather than something that depends on the education system (Hrubos, 2010; Polónyi, 2010).

Surveys of the Faculty of Economics, University of Miskolc

The Faculty of Economics of the University of Miskolc, regularly carries out surveys of competence among the students in which the question arises about the practicality of training (TÁMOP, 2010). In this context, I review two relevant survey results from the student's opinions.

The first student survey was completed in 2011, and one of the questions asks about weaknesses in the faculty. The number of respondents was 84 students. The distribution of responses was as follows.

Table 1. *What do you think the weakness of the faculty? (Tick all that apply)*

Lack of practical skills	58.3%
Lack of internship opportunities	58.3%
Inadequate language training	52.4%
Outdated Theory	15.5%

The other survey was made in 2012 at the University of Miskolc, Faculty of Economics, with finance and accounting students. The students had to assess the opportunities on a 10- point scale. The number of respondents was 17 students. The questions concerning the practice-oriented training were as follows:

Table 2. *In your opinion, how important are the following skills and knowledge to be successfully admitted into the labor market?*

	Average points	Median
Academic proficiency	7.4	7
Practical proficiency	9.2	10

Table 3. *Judge to what extent the university studies developed these competencies*

	Average points	Median
Academic proficiency	7.6	8
Practical proficiency	5.8	5

These examples clearly show that students expect the institution to make the training more practical.

Methods of the Department of Finance, University of Miskolc

The Department of Finance at the University of Miskolc uses many methods in its training to combat this problem. Starting from their second year, we direct the students more and more towards the solution of practical problems using problem-based learning techniques (Stinson & Milter, 1996). We do this using the following methods.

Sample solutions with Excel (MS Office)

Employers - corporations, businesses, the public sector - expect the professional use of Excel spreadsheets from the graduates. The students learn and use this program in the frame of different subjects during their studies.

The students learn and use the built-in financial functions of Excel (for example: calculation of present value and future value, yield calculation, internal rate of return calculation). We help the students to apply the gained theoretical knowledge by this method,.This is learnt and applied in the following subjects: Financial Markets and Financial Calculations, Corporate Finance, Corporate Financial Planning, and Corporate Financial Decisions.

Case studies

The students can put the learned theoretical knowledge into practice with the case-study tasks. Specific business problems are solved by the students, where they should apply one or more or the methods learned in theory. They will be able to apply their theoretical knowledge in practice. In addition, they gain experience in teamwork and improve their presentation skills with this problem-based activity. This kind of work can improve their essential analytical skills also. Obtaining and improving these skills may be important to get the first job.

This method is used in the following subjects: Corporate Financial Decisions, Taxation, and Corporate Finance.

Business game

This game was developed by the Head of the Department of Finance, Sándor Bozsik. The game shows a company's operations from its founding till its possible bankruptcy. Each student founds a production company (bicycle industry). The aim is to achieve greater corporate wealth. During the game the students learn the impact of corporate financial decisions on a company's operations.

This task can improve their essential analytical and decision-making skills, and encourages them to expand their professional knowledge. The students are introduced to the simulation program in the context of corporate financial decisions.

Involvement of external experts in the academic work

Banking professionals prepare real case studies for students in corporate finance. Graduate students work with these studies in groups and present their solutions to the class and the specialist. The external specialist then explains the banking behaviour – the choices made in the actual situation – and assesses the students' work.

The external experts expect to answer actual questions from students always. Banking professionals are able to give information on the given topic credibly and vividly. Graduate students can prepare this task to solve real problems, and can use the received knowledge from different subjects. In addition, analytical and presentation skills are exercised.

Internship and thesis writing

In their last semester of the bachelor program students participate in an internship of 15 weeks, during which they write the practical part of their thesis. During this time, students try out their professional knowledge in the real labor market, and get some experience in the workplace. The selected consultant in the workplace evaluates the student's performance and shows the paths to a correct solution. The long-term aim of the internship is to increase students' chances in the labor market. Another of the tasks of the interns is to gather the related materials and information for writing their theses.

Internships allow students to work out a real problem with an external expert's (consultant's) help.

External experts involved in the final examination committee

The final benchmark of our students is the final examination. They defend their thesis before a committee and take a complex exam of the knowledge gained in university. In the final examination committee professionals in various fields are represented (corporate, banking, local government, tax authorities, etc.). They lead the final professional interview with the students. The final exam in this way is able to show how effective the university's efforts were to prepare the candidate for professional life and how well the students are able to demonstrate their knowledge and competence.

Conclusion

Through problem-based activities and tasks, students have the opportunity to improve their practice-oriented knowledge, which gives them a better chance at finding and holding onto their first job in the profession. It is advantageous to apply practice-oriented methods in many subjects, and with different types of tasks. The Department of Finance has brought together a variety of methods to integrate theory and practice, and to emphasize practical skills. We hope to continue to strengthen the use of practice-oriented methods in our curriculum.

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