

FINS3630

Bank Financial Management

Course Outline

Semester 1, 2017

Part A: Course-Specific Information
Part B: Key Policies, Student Responsibilities
and Support

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PART A: COURSE-SPECIFIC INFORMATION

1 STAFF CONTACT DETAILS

Lecturer-in-charge (LIC): MD EMDADUL ISLAM (**EMDAD**)
Room: BUS359, Business School Building
Email: m.e.islam@unsw.edu.au
Consultation Times – Fridays, 11-12 pm

A full list of tutors will be posted on Course Website.

2 COURSE DETAILS

2.1 Teaching Times and Locations

Lectures start in Week 1(to Week 12): The Time and Location are:

Section A: Tuesday 13.00 – 15.00 Ritchie Theatre (K-G19-LG02)
Section B: Monday 18.00 – 20.00 ChemicalSc M17 (K-F10-M17)

Tutorials start in Week 2 (to Week 13). A full list of tutorials, times and tutors will be on the Course Website.

2.2 Units of Credit

The course is worth 6 units of credit.

2.3 Summary of Course

This course provides an overview of the infrastructure and the financial risk management of financial institutions, with a special focus on commercial banks, in a global context.

2.4 Course Aims and Relationship to Other Courses

The unifying theme in this course is the application of modern finance theory to the financial decision making and management of financial institutions, especially commercial banks. The subject of decision-making in financial institutions is approached from a risk perspective. The course covers the major decision areas for financial institution management within the framework of a regulatory and "corporate responsible" environment. The main topics covered are various financial risks and their management including interest rate risk, credit risk, liquidity risk, foreign exchange risk and market risk within an international context. The course provides a cornerstone to many of the other courses offered in the School of Banking and Finance.

2.5 Student Learning Outcomes

The Course Learning Outcomes are what you should be able to DO by the end of this course if you participate fully in learning activities and successfully complete the assessment items.

The Learning Outcomes in this course also help you to achieve some of the overall Program Learning Goals and Outcomes for all postgraduate coursework students in the Business School. Program Learning Goals are what we want you to BE or HAVE by the time you successfully complete your degree (e.g. 'be an effective team player'). You demonstrate this

by achieving specific Program Learning Outcomes - what you are able to DO by the end of your degree (e.g. 'participate collaboratively and responsibly in teams').

At the conclusion of the course students are expected to be able to:

1. Identify the main types of risk confronted by financial institutions;
2. Apply relevant techniques to measure and manage those risks;
3. Understand the main regulations and operations of financial institutions within such regulations;
4. Engage in informed discussion of some of the contemporary issues in an Australian and international context, affecting financial institutions and their owners, managers, employees and customers;

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals and Outcomes, and indicates where these are assessed:

| Program Learning Goals and Outcomes | | Course Learning Outcomes | Course Assessment Item |
|---|--|---|--|
| <i>This course helps you to achieve the following learning goals for all Business undergraduate students:</i> | | <i>On successful completion of the course, you should be able to:</i> | <i>This learning outcome will be assessed in the following items:</i> |
| 1 | Knowledge | 1,2,3,4 | <ul style="list-style-type: none"> • Tutorial Problems • Exam |
| 2 | Critical thinking and problem solving | 1,2,4 | <ul style="list-style-type: none"> • Tutorial Problems • Exam |
| 3a | Written communication | 2,4 | <ul style="list-style-type: none"> • Part of tutorial mark but not separately assessed. • Final Exam |
| 3b | Oral communication | 2,4 | <ul style="list-style-type: none"> • Part of tutorial mark but not separately assessed. |
| 4 | Teamwork | 4 | <ul style="list-style-type: none"> • Not specifically assessed. |
| 5a. | Ethical, social and environmental responsibility | 4 | <ul style="list-style-type: none"> • Not specifically assessed. |
| 5b. | Social and cultural awareness | 4 | <ul style="list-style-type: none"> • Not specifically assessed. |

3 LEARNING AND TEACHING ACTIVITIES

3.1 Approach to Learning and Teaching in the Course

The philosophy underpinning this course is summarised by the following list of guidelines extracted from Guidelines on Learning that inform teaching at UNSW:

<https://teaching.unsw.edu.au/guidelines>.

1. Effective learning is supported when students are actively engaged in the learning process.
6. Students become more engaged in the learning process if they can see the relevance of their studies to professional, disciplinary and/or personal contexts.
10. Clearly articulated expectations, goals, learning outcomes, and course requirements increase student motivation and improve learning.
15. Effective learning is facilitated by assessment practices and other student learning activities that are designed to support the achievement of desired learning outcomes.
16. Meaningful and timely feedback to students improves learning.

3.2 Learning Activities and Teaching Strategies

We conduct tutorials involving use of extensive problem sets followed by solutions to present disciplinary knowledge and discuss homework in class to help students

- integrate and apply disciplinary knowledge in finance, accounting and economics to business situations of financial institutions management, especially commercial banks;
- develop critical analysis and problem solving;
- consider social and ethical implications; and
- prepare for assessments and collect timely feedback.

Outside of the classroom, students revise their lessons and prepare for homework, assessments and other in-class activities.

4 ASSESSMENT

4.1 Formal Requirements

In order to pass this course, you must:

- achieve a composite mark of at least 50; and
- make a satisfactory attempt at all assessment tasks (see below).

4.2 Assessment Details

| Assessment Task | Weighting | Length | Due Date |
|---------------------------------------|-----------|---------|------------------------|
| Tutorial problem sets & participation | 12% | | Ongoing |
| Mid-session Exam | 44% | 2 Hours | Week 8 |
| Final Exam | 44% | 2 Hours | University Exam Period |
| Total | 100% | | |

4.3 Assessment Format

1) Mid-session exam (44%): Closed-book exam.

Coverage: Topics covered in the lectures from week 1 to week 6.

Format: Multiple choice questions (44%)

The exam is scheduled on Saturday in week 8 (29th April 2017).

A specific announcement about mid-term exam will be posted on the course website.

2) Final exam (44%): Closed-book centralized exam.

Coverage: topics covered in the lectures from week 7 to week 12.

Format: Multiple choice questions and open questions.

A specific announcement about final exam will be posted on the course website. Please check your myUNSW for the centralized announcement about the time and venue toward the end of teaching period.

3) Problem set solution and participation (12%)

There are twelve tutorial weeks in this semester. Please stick to your tutorial session once you've made the decision of your best time slot.

There will be one problem set assigned for each tutorial class except for the one in lecture week 7 (i.e., the week before the mid-session exam) when the tutor will review bulk of materials for the mid-session exam. So there will be 11 problem sets assigned throughout the semester.

Another component of this assessment item would be graded by tutors based on your CONSTRUCTIVE contribution to the discussion during the tutorials. Please note that tutors have the full discretion on this assessment item, and the marks given by tutors will be final (i.e., as the lecturer-in-charge, I won't change this mark unless there is solid evidence of bias or error in tutors' grading).

Students are free to decide the number of solutions (out of 11 problem sets) needs to be submitted, as well as the extent of participation (out of 12 weeks). Tutors will keep record of 1) quantity of your homework submitted; 2) quality of your homework submitted; 3) the participation mark you have earned every week. At the end of the semester students get an overall mark.

The 12% mark will be assigned to each student primarily based on your proposed solutions to problem sets and constructive participation during tutorials. In addition, Tutors would also consider your rank among the peer classmates based on your proposed solutions to problem sets and constructive participation during tutorials. Specifically, problem set solutions part would count for **7%** marks and participation would count for **5%** marks.

4.4 Assignment Submission Procedure

Please note: only hard copy solution will be counted (emailing your homework to your tutor is NOT accepted). Please note that the mark will be awarded based on the HONEST ATTEMPT basis – the solutions or your answer in your participation need NOT be correct, but they need to constitute an HONEST attempt (i.e., there will be zero mark for a solution comprising of irrelevant stuffs).

4.5 Late Submission

Late homework submission will NOT be counted.

Quality Assurance

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential.

5 COURSE RESOURCES

The prescribed textbook is Anthony Saunders and Marcia Millon Cornett, **“Financial Institutions Management: A Risk Management Approach”**, 8th Edition, McGraw-Hill, 2014. It is available at the University Bookshop.

Alternatively, you can also use the 7th edition of the textbook by the same authors. The difference in terms of coverage and content is trivial. But from time to time, I may refer to the end of chapter questions in the prescribed textbook (8th edition), and it will be your own responsibility to obtain access to those questions if needed.

Resources available on course website (access through Moodle, <https://moodle.telt.unsw.edu.au>) may include:

- Lecture notes and additional reference articles
- Important notices, via message board and other forms of communication
- Exam results

6 COURSE EVALUATION AND DEVELOPMENT

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's myExperience survey is one of the ways in which student evaluative feedback is gathered. In this course, we will seek your feedback through end of semester myExperience responses.

7 COURSE SCHEDULE

| COURSE SCHEDULE | | | | |
|-----------------------|---|---------------------------------|--------------|-------------------------------|
| Week | Lecture Topic | Tutorial Topic | References | Other activities / assessment |
| Week 1 27 February | Financial Service Industry & Specialness of FIs | NO TUTORIALS | Chapter 1, 7 | |
| Week 2 6 March | Credit Risk I | Problem set 1 on Lecture week 1 | Chapter 10 | |
| Week 3 13 March | Credit Risk II | Problem set 2 on Lecture week 2 | Chapter 11 | |

| | | | | |
|---|-----------------------|--------------------------------------|----------------------|---|
| Week 4 20 March | Interest Rate Risk I | Problem set 3 on Lecture week 3 | Chapter 8, 9 | |
| Week 5 27 March | Interest Rate Risk II | Problem set 4 on Lecture week 4 | Chapter 9 | |
| Week 6 03 April | Liquidity Risk | Problem set 5 on Lecture week 5 | Chapter 12, 18,19 | |
| Week 7 10 April | Sovereign Risk | Review of problem sets 1 to 5 | Chapter 14 | |
| Mid-semester break: Friday 14 – Saturday 22 April inclusive | | | | |
| Week 8 24 April | NO LECTURE | Problem set 6 on Lecture week 6 | | Mid-Session Exam on 29th April 2017 |
| Week 9 1 May | Foreign Exchange Risk | Problem set 7 on Lecture week 7 | Chapter 13 | |
| Week 10 8 May | Market Risk | Problem set 8 on Lecture week 9 | Chapter 15 | |
| Week 11 15 May | Capital Adequacy | Problem set 9 on Lecture week 10 | Chapter 20 | |
| Week 12 22 May | Securitization | Problem set 10 on Lecture week 11 | Chapter 26 | |
| Week 13 29 May | NO LECTURE | Problem set 11 on Lecture week 12 | | |

PART B: KEY POLICIES, STUDENT RESPONSIBILITIES AND SUPPORT

8 PROGRAM LEARNING GOALS AND OUTCOMES

The Business School Program Learning Goals reflect what we want all students to BE or HAVE by the time they successfully complete their degree, regardless of their individual majors or specialisations. For example, we want all our graduates to HAVE a high level of business knowledge, and a sound awareness of ethical, social, cultural and environmental implications of business. As well, we want all our graduates to BE effective problem-solvers, communicators and team participants. These are our overall learning goals for you and are sought by employers.

You can demonstrate your achievement of these goals by the specific outcomes you achieve by the end of your degree (e.g. be able to analyse and research business problems and propose well-justified solutions). Each course contributes to your development of two or more program learning goals/outcomes by providing opportunities for you to practise these skills and to be assessed and receive feedback.

Program Learning Goals for undergraduate and postgraduate students cover the same key areas (application of business knowledge, critical thinking, communication and teamwork, ethical, social and environmental responsibility), which are key goals for all Business students and essential for success in a globalised world. However, the specific outcomes reflect different expectations for these levels of study.

We strongly advise you to choose a range of courses which assist your development of these skills, e.g., courses assessing written and oral communication skills, and to keep a record of your achievements against the Program Learning Goals as part of your portfolio.

Business Undergraduate Program Learning Goals and Outcomes

1. Knowledge: Our graduates will have in-depth disciplinary knowledge applicable in local and global contexts.

You should be able to select and apply disciplinary knowledge to business situations in a local and global environment.

2. Critical thinking and problem solving: Our graduates will be critical thinkers and effective problem solvers.

You should be able to identify and research issues in business situations, analyse the issues, and propose appropriate and well-justified solutions.

3. Communication: Our graduates will be effective professional communicators.

You should be able to:

- a. Prepare written documents that are clear and concise, using appropriate style and presentation for the intended audience, purpose and context, and
- b. Prepare and deliver oral presentations that are clear, focused, well-structured, and delivered in a professional manner.

4. Teamwork: Our graduates will be effective team participants.

You should be able to participate collaboratively and responsibly in teams, and reflect on your own teamwork, and on the team's processes and ability to achieve outcomes.

5. Ethical, social and environmental responsibility: Our graduates will have a sound awareness of the ethical, social, cultural and environmental implications of business practice.

You will be able to:

- a. Identify and assess ethical, environmental and/or sustainability considerations in business decision-making and practice, and
- b. Identify social and cultural implications of business situations.

Business Postgraduate Coursework Program Learning Goals and Outcomes

1. Knowledge: Our graduates will have current disciplinary or interdisciplinary knowledge applicable in local and global contexts.

You should be able to identify and apply current knowledge of disciplinary or interdisciplinary theory and professional practice to business in local and global environments.

2. Critical thinking and problem solving: Our graduates will have critical thinking and problem solving skills applicable to business and management practice or issues.

You should be able to identify, research and analyse complex issues and problems in business and/or management, and propose appropriate and well-justified solutions.

3. Communication: Our graduates will be effective communicators in professional contexts.

You should be able to:

- a. Produce written documents that communicate complex disciplinary ideas and information effectively for the intended audience and purpose, and
- b. Produce oral presentations that communicate complex disciplinary ideas and information effectively for the intended audience and purpose.

4. Teamwork: Our graduates will be effective team participants.

You should be able to participate collaboratively and responsibly in teams, and reflect on your own teamwork, and on the team's processes and ability to achieve outcomes.

5. Ethical, social and environmental responsibility: Our graduates will have a sound awareness of ethical, social, cultural and environmental implications of business issues and practice.

You should be able to:

- a. Identify and assess ethical, environmental and/or sustainability considerations in business decision-making and practice, and
- b. Consider social and cultural implications of business and /or management practice.

9 ACADEMIC HONESTY AND PLAGIARISM

The University regards plagiarism as a form of academic misconduct, and has very strict rules regarding plagiarism. For UNSW policies, penalties, and information to help you avoid plagiarism see: <https://student.unsw.edu.au/plagiarism> as well as the guidelines in the online ELISE tutorials for all new UNSW students: <http://subjectguides.library.unsw.edu.au/elise>.

To see if you understand plagiarism, do this short quiz:
<https://student.unsw.edu.au/plagiarism-quiz>

For information on how to acknowledge your sources and reference correctly, see:
<https://student.unsw.edu.au/referencing>

For the *Business School Harvard Referencing Guide*, see the [Business Referencing and Plagiarism](#) webpage (Students>Learning support>Resources>Referencing and plagiarism).

10 STUDENT RESPONSIBILITIES AND CONDUCT

Students are expected to be familiar with and adhere to university policies in relation to class attendance and general conduct and behaviour, including maintaining a safe, respectful environment; and to understand their obligations in relation to workload, assessment and keeping informed.

Information and policies on these topics can be found in UNSW Current Students 'Managing your Program' webpages: <https://student.unsw.edu.au/program>.

10.1 Workload

It is expected that you will spend at least **nine to ten hours** per week studying this course. This time should be made up of reading, research, working on exercises and problems, online activities and attending classes. In periods where you need to complete assignments or prepare for examinations, the workload may be greater. Over-commitment has been a cause of failure for many students. You should take the required workload into account when planning how to balance study with employment and other activities.

We strongly encourage you to connect with your **Moodle course websites** in the **first week of semester**. Local and international research indicates that students who engage early and often with their course website are more likely to pass their course.

Information on expected workload: <https://student.unsw.edu.au/uoc>

10.2 Attendance

Your regular and punctual attendance at lectures and seminars or in online learning activities is expected in this course. University regulations indicate that if students attend less than 80% of scheduled classes they may be refused final assessment. For more information, see: <https://student.unsw.edu.au/attendance>

10.3 General Conduct and Behaviour

You are expected to conduct yourself with consideration and respect for the needs of your fellow students and teaching staff. Conduct which unduly disrupts or interferes with a class, such as ringing or talking on mobile phones, is not acceptable and students may be asked to leave the class. More information on student conduct is available at: <https://student.unsw.edu.au/conduct>

10.4 Health and Safety

UNSW Policy requires each person to work safely and responsibly, in order to avoid personal injury and to protect the safety of others. For more information, see <http://safety.unsw.edu.au/>.

10.5 Keeping Informed

You should take note of all announcements made in lectures, tutorials or on the course web site. From time to time, the University will send important announcements to your university e-mail address without providing you with a paper copy. You will be deemed to have received this information. It is also your responsibility to keep the University informed of all changes to your contact details.

11 SPECIAL CONSIDERATION

You must submit all assignments and attend all examinations scheduled for your course. You should seek assistance early if you suffer illness or misadventure which affects your course progress.

General Information on Special Consideration for undergraduate and postgraduate courses:

1. All applications for special consideration must be **lodged online through myUNSW within 3 working days of the assessment** (Log into myUNSW and go to My Student Profile tab > My Student Services > Online Services > Special Consideration). You will then need to submit the originals or certified copies of your completed Professional Authority form (pdf - download here) and other supporting documentation to Student Central. **For more information, please study carefully in advance the instructions and conditions at:**
<https://student.unsw.edu.au/special-consideration>
2. Please note that documentation may be checked for authenticity and the submission of false documentation will be treated as academic misconduct. The School may ask to see the original or certified copy.
3. Applications will **not** be accepted by teaching staff. The lecturer-in-charge will be automatically notified when you lodge an online application for special consideration.
4. Decisions are made by lecturers-in-charge for all other assessment items aside from the final exam, **not** by tutors.
5. Applying for special consideration **does not** automatically mean that you will be granted a supplementary exam or other concession.
6. Special consideration requests **do not allow** lecturers-in-charge to award students additional marks.

Business School Protocol on requests for Special Consideration for Final Exams:

The Business School Faculty panel will need to be satisfied on each of the following before supporting a request for special consideration:

1. Does the medical certificate contain all relevant information? For a medical certificate to be accepted, the degree of illness, and impact on the student, must be stated by the medical practitioner (severe, moderate, mild). A certificate without this will not be valid.
2. Has the student performed satisfactorily in the other assessment items? Satisfactory performance and attempted all other assessment items and meeting the obligation to have **attended 80% of tutorials**.
3. Does the student have a history of previous applications for special consideration? A history of previous applications may preclude a student from being granted special consideration.

Special Consideration and the Final Exam in undergraduate courses:

Applications for special consideration in relation to the final exam are considered by a Business School Faculty panel to which lecturers-in-charge provide their recommendations for each request. If the Faculty panel grants a special consideration request, this will entitle the student to sit a supplementary examination. No other form of consideration will be granted. The following procedures will apply:

1. Supplementary exams will be scheduled centrally and will be held approximately two weeks after the formal examination period. The dates for Business School supplementary exams for Semester 1, 2017 are:

If a student lodges a special consideration for the final exam, they are stating they will be available on the above dates. **Supplementary exams will not be held at any other time.**

2. Where a student is granted a supplementary examination as a result of a request for special consideration, the student's original exam (if completed) will be ignored and only the mark achieved in the supplementary examination will count towards the final grade. Absence from a supplementary exam without prior notification does not entitle the student to have the original exam paper marked, and may result in a zero mark for the final exam.

The Supplementary Exam Protocol for Business School students is available at:
<http://www.business.unsw.edu.au/suppexamprotocol>

Special Consideration and assessments other than the Final Exam in undergraduate and postgraduate courses:

Special considerations in assessments other than for final exams, e.g. mid-semester exams, projects, **lodged online through myUNSW within 3 working days of the assessment** (Log into myUNSW and go to My Student Profile tab > My Student Services > Online Services > Special Consideration) The LIC will review and decide the outcome deciding how to grant extensions and special consideration and update your application with the arrangements of the Supplementary assessment. For mid-session exams they will be scheduled approximately 7 working days after the original assessment, which will be required to make yourself available.

12 STUDENT RESOURCES AND SUPPORT

The University and the Business School provide a wide range of support services for students, including:

- **Business School Education Development Unit (EDU)**
<https://www.business.unsw.edu.au/students/resources/learning-support>
The EDU offers academic writing, study skills and maths support specifically for Business students. Services include workshops, online resources, and individual consultations. EDU Office: Level 1, Room 1033, Quadrangle Building. Phone: 9385 7577 or 9385 4508; Email: edu@unsw.edu.au.
- **Business Student Centre**
<https://www.business.unsw.edu.au/students/resources/student-centre>
Provides advice and direction on all aspects of admission, enrolment and graduation. Office: Level 1, Room 1028 in the Quadrangle Building; Phone: 9385 3189.
- **Moodle eLearning Support**
For online help using Moodle, go to: <https://student.unsw.edu.au/moodle-support>. For technical support, email: itservicecentre@unsw.edu.au; Phone: 9385 1333.
- **UNSW Learning Centre**
www.lc.unsw.edu.au
Provides academic skills support services, including workshops and resources, for all UNSW students. See website for details.

- **Library services and facilities for students**
<https://www.library.unsw.edu.au/study/services-for-students>
- **IT Service Centre:**
<https://www.it.unsw.edu.au/students/index.html>
Provides technical support to troubleshoot problems with logging into websites, downloading documents, etc. Office: UNSW Library Annexe (Ground floor). Phone: 9385 1333.
- **UNSW Counselling and Psychological Services**
<https://student.unsw.edu.au/wellbeing>
Provides support and services if you need help with your personal life, getting your academic life back on track or just want to know how to stay safe, including free, confidential counselling. Office: Level 2, East Wing, Quadrangle Building; Phone: 9385 5418; Email: counselling@unsw.edu.au
- **Disability Support Services**
<https://student.unsw.edu.au/disability>
Provides assistance to students who are trying to manage the demands of university as well as a health condition, learning disability or have personal circumstances that are having an impact on their studies. Office: Ground Floor, John Goodsell Building; Phone: 9385 4734; Email: disabilities@unsw.edu.au