

FINS 3650

International Banking

Course Outline

Semester 2, 2017

Course-Specific Information

The Business School expects that you are familiar with the contents of this course outline. You must also be familiar with the School's Course Outlines Policies webpage which contains key information on:

- Program Learning Goals and Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Student Support and Resources

This webpage can be found on the Business School website:

<https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>

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COURSE-SPECIFIC INFORMATION

1 STAFF CONTACT DETAILS

Lecturer-in-charge: Dr Peter John

Email: peter.john@unsw.edu.au

Consultation Times – By appointment via email.

2 COURSE DETAILS

2.1 Teaching Times and Locations

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

Fridays 9:00 pm - 12:00 pm

Ainsworth Building 102

2.2 Units of Credit

The course is worth 6 units of credit.

There is no parallel teaching in this course.

2.3 Summary of Course

The course focuses on providing students with an understanding of the operating environments of international banking institutions and how to manage them to create shareholder value on a sustainable basis. Banks don't have a business if they don't take risks. However global events in recent years strongly demonstrate the perils of excessive risk-taking. Therefore, proactively managing different types of risks to generate superior risk-adjusted returns through economic capital management and risk adjusted returns frameworks is a theme running right through the course. We will be referring to Basel Capital Accords, which provide the regulatory framework for internationally active banks. The course will cover structured financing. We will also examine the role of international banks in financing international trade and investment, managing cross border risks and project financing.

2.4 Course Aims and Relationship to Other Courses

The major aim of this course is to equip you with the background on and current knowledge of international banking. This course constitutes part of the International Finance concentration, and complements Bank Financial Management—FINS3630 by providing an international perspective on banking.

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 undergraduate 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').

For more information on Program Learning Goals and Outcomes, see the School's Course Outlines Policies webpage available at

<https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals and Outcomes, and indicates where these are assessed (they may also be developed in tutorials and other activities):

| 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 | Explain the basic workings of an international bank. Research current issues in international banking. | <ul style="list-style-type: none">• Class participation• Group assignment• Mid-session exam• Final exam |
| 2 | Critical thinking and problem solving | Analyse the pressures and constraints under which international banks operate. Analyse how risk, capital and returns are related in an international bank. | <ul style="list-style-type: none">• Class participation• Group assignment• Mid-session exam• Final exam |
| 3a | Written communication | Prepare written work which is well structured, analytically sound and professionally presented. | <ul style="list-style-type: none">• Class participation• Group assignment |

| Program Learning Goals and Outcomes | | Course Learning Outcomes | Course Assessment Item |
|-------------------------------------|--|---|---|
| 3b | Oral communication | Communicate ideas in a succinct and clear manner. | <ul style="list-style-type: none"> Part of class participation, but not separately assessed |
| 4 | Teamwork | Collaborate effectively to analyse a critical issue in international banking. | <ul style="list-style-type: none"> Group assignment |
| 5a. | Ethical, environmental and sustainability responsibility | Identify and assess ethical and governance issues in international banking. | <ul style="list-style-type: none"> Class participation Group assignment Mid-session exam Final exam |
| 5b. | Social and cultural awareness | Explain social and cultural context of international banking. | <ul style="list-style-type: none"> Class participation Group assignment Mid-session exam Final exam |

3 LEARNING AND TEACHING ACTIVITIES

3.1 Approach to Learning and Teaching in the Course

The course is structured based on the “Guidelines on learning that inform teaching at UNSW” (<https://teaching.unsw.edu.au/guidelines>), in particular:

- Actively engage students in the learning process
- Emphasise the relevance of students’ learning in professional, disciplinary and personal contexts
- Clearly articulate course expectations and the course goals, learning outcomes and requirements
- Encourage independent learning through the appropriate use of information and communication technologies
- Align assessment practices with the desired learning outcomes

3.2 Learning Activities and Teaching Strategies

The course consists of weekly 3-hour seminars. A typical seminar comprises delivery of key concepts through lectures and active discussions of contemporary practical issues in international banking. Students are given opportunity to reflect on these issues and are actively encouraged to share their analyses and views on possible strategies to manage the issues. Feedback on these discussions is an integral part of the classes.

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 |
|---------------------|-----------|---------------|-------------------------------------|
| Class participation | 15% | See 4.3 below | 18 August 2017 and 27 October 2017* |
| Group assignment | 25% | 2,500 words | 20 October 2017 |
| Mid-session exam | 20% | 60 minutes | 1 September 2017 |
| Final exam | 40% | 120 minutes | University Exam Period |
| Total | 100% | | |

* Class participation has two components – (a) Two quizzes (5 marks) and (b) Discussion board activities (10 marks). Please see section 4.3 below for details. The quiz component will be assessed in any two weeks from week 2 to week 12. Discussion board activities will be assessed in two stages. (i) The weekly postings on discussion board for the first three weeks will be assessed on ongoing basis. They will be marked out of 3 marks as at 18 August 2017. The marks assigned to students for this stage will be made available by 28 August 2017. (ii) The weekly postings on the discussion board for the remaining 9 weeks will be assessed as at 27 October 2017 and will be marked out of 7 marks.

4.3 Assessment Format

Class participation (15 marks):

The assessment has two components:

- (a) Five (5 marks) will be awarded to students who attempt two ‘surprise’ quizzes in the class. **These quizzes will be administered in the class without prior announcement.** Therefore, it is important that you attend all classes. These quizzes will be marked based on the effort put in by the student and not the accuracy of answers.
- (b) Participation in discussion board activities (10 marks): These marks will be awarded based on participation in the activities established on the Moodle. Both frequency and quality of individual contributions will be considered in assessing participation. Examples of class participation include weekly posting of your summaries/understanding of key concepts and their applications from previous lectures and accepting any challenges laid down in the lecture theatre. These summaries are expected to be brief (say 150-250 words).

Group assignment (25 marks):

Students will be asked to form groups of up to 5 members. Each group will select a topic in international banking and undertake research on the conceptual issues and their practical implications. They will present their research and findings in the form of a report. **One member of each group will post on the Moodle the names of group members and the topic the group has selected on or before week 4 class. The group will also submit a one-page synopsis of the report in the week 5 class.** This

assignment is an important part of learning as well as assessment. Significant effort is expected from the students. The group is encouraged to speak to the lecturer in the class about the appropriateness of their topic.

Further guidelines will be provided on the Moodle for preparation of the assignment and on marking the assignment.

Mid-session exam (20%):

The mid-session exam will include topics covered in weeks 1 to 4 and will be held during lecture hours. Further details of the exam will be provided on the Moodle.

Final exam (40%):

The final exam will include topics covered in weeks 5 to 12. Further details of the exam will be provided on the Moodle.

4.4 Assignment Submission Procedure

A soft copy should be also submitted on Turnitin via Moodle by this date. A hard copy of the assignment should be submitted to the lecturer in the week 12 class.

4.5 Late Submission and Penalties

Since the assignment is due in the last class of the course, late submissions will be accepted only in rare circumstances and only if there are valid reasons for special consideration. Please see the following link for details about special consideration.

<https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>

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 course contents are on Moodle: <https://moodle.telt.unsw.edu.au/login/index.php>

There is no textbook for this course. You will be provided readings and links to references on the Moodle for each topic.

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 Course and Teaching Evaluation and Improvement (CATEI) Process is one of the ways in which student evaluative feedback is gathered. In this course, we will seek your feedback through end of semester CATEI evaluations.

7 COURSE SCHEDULE

Lectures start in Week 1 and finish in Week 12.

| LECTURE SCHEDULE | |
|---|---|
| Week commencing | Topic |
| Week 1 24 July | Course overview Introduction to international banking |
| Week 2 31 July | Country risk management in international banking |
| Week 3 7 August | Risk and regulation |
| Week 4 14 August | Capital management |
| Week 5 21 August | Credit risk management |
| Week 6 28 August | Managing operational risk Mid-session exam – during lecture hours |
| Week 7 4 September | Market risk and liquidity |
| Week 8 11 September | Market risk and liquidity (continued) Structured finance |
| Week 9 18 September | Economic capital and risk-adjusted returns |
| Mid-semester break: 23 September – 2 October inclusive | |
| Week 10 3 October | Financing international trade and investment |
| Week 11 9 October | Project financing and managing cross border risks |
| Week 12 16 October | Course review and revision Submission of group assignment |

The format of the course is three hours of lecture and discussions. There are no separate tutorial classes.