

FINA 4503 Banking and Financial Intermediation

Fall 2017

Prof Deniz Okat

We will examine the nature, purpose, management, and regulation of financial intermediaries with a particular emphasis on banks. Below is the list of topics we will cover:

Lecture	Date	Topic
1	Sep 1	Introduction
2	Sep 6	Review of game theory and basic optimization
3	Sep 8	
4	Sep 13	
5	Sep 15	
6	Sep 20	Exercise 1
7	Sep 22	Maturity transformation
8	Sep 27	
9	Sep 29	
10	Oct 4	
11	Oct 6	Relationship banking
12	Oct 11	Credit rationing
13	Oct 13	Screening
14	Oct 18	Exercise 2
15	Oct 20	Midterm exam (location and time will be announced later)
16	Oct 25	Midterm solutions
17	Oct 27	Monitoring
18	Nov 1	Bank regulation
19	Nov 3	
20	Nov 8	Bank competition
21	Nov 10	
22	Nov 15	Bank networks
23	Nov 17	Financial crises
24	Nov 22	
25	Nov 24	Exercise 3
26	Nov 29	Review

Class meets on Wednesdays and Fridays, (from 13.30 to 14.50 for L1 and from 15.00 to 16.20 for L2), in room 1009 in LSK building. All course materials – syllabus, lecture notes, and exercises – will be available on the course web site. Completion of FINA 2203 or FINA 2303 is a prerequisite.

There will be three exercise sets (constituting 25% of the final grade), one midterm (25%), and one final (50%) exam. Exercise solutions should be submitted by 13.00 on the respective day to the course box located on 5th floor in Finance department. Alternatively, you can also send your answers online on the course website by that time. Late submissions will not be graded. There will not be a makeup exam for the midterm. If a report regarding either a medical issue or a family emergency is provided, the weight of the midterm exam will be added to the final exam.

My office is 5058 in LSK building. Tel. 23587672, e-mail okat@ust.hk. If you send me e-mail, please give the mail the title “Banking”. Ms. Katy Choi (katycck@ust.hk) and Mr. Yuzhou Hu (yhuav@connect.ust.hk) are teaching assistants of the course. Ms. Katy will hold office hours in 5068 on Fridays from 11AM to 12:30PM. Questions concerning course administration and exams should be sent directly to her. Questions regarding exercise sets should be sent to Mr. Yuzhou.