

American University Central Asia
Business Administration Department
Syllabus for Banking
Fall Semester 2014

General information

Course ID: BNK 302

Credits: 3

Schedule: Lectures will occur on Tuesday at 14.30 and Seminars on Friday at 14.30.

Instructor: Jean-Baptiste Jault, Master in Wealth Management

Contact information: E-mail: jb.jault@gmail.com

Course description

This course is intended to help the students understand the major issues and concepts with which financial institutions deal with every day. The matters of liquidity, profitability and risks management will be largely presented here.

This course is not only for students who would like to work in financial institutions later. Lectures and seminars will provide the students with vocabulary and risk approach of banks and other FIs. It should help in the future to negotiate with these institutions for a business loan, to present a business plan, to obtain a mortgage, etc.

Course organization

Lectures will occur on Tuesday at 14.30 and Seminars on Friday at 14.30.

Exams:

There will be three quizzes and one final exam. The quizzes and final exam will include multiple choices questions, open questions and exercises.

Any exam will be organized before or after the scheduled day without special permission/official order of the BA Chair. All students should be in classroom accurately in time scheduled to participate in any exam. No any student can be overdue, and nobody will be able to enter to the classroom after Instructor, especially when the examination will be started.

There will be also a final exam. Each student is expected to come with a scientific calculator at each exam. If you forget it, your grade for the final exam will be F. **Nothing is allowed during quizzes and final exam but scientific calculator.**

Students should pay attention to their final grade all along the semester. No additional work will be given.

Communication between students and instructor will be mainly made through emails. Make sure the instructor has the correct email address. If you do not receive emails, please inform the instructor as soon as possible. It is not the responsibility of the instructor if you do not receive emails.

Additional work: The responsibility to organize any special additional work is given to the BA Chair under mutual agreement with Instructor; additional work can be given until the last day of the current semester (final exam week is not included), after this date, no additional work will be given. If students did not enter to quiz exam because of valid reason will be able to pass through such kind of make-up. The subjects of new exam will be different compared to basic quiz options. **No any other additional work to improve the basic exam's grade will be available.**

The instructor reserves the right to modify any and all portions of this syllabus at any time during the period of the course.

Adobe connect:

During the semester, the platform “Adobe Connect” will be used to provide all the material for this course. Please make sure you are well registered in the virtual classroom. If you have difficulties or questions, please contact the instructor for more information.

The lectures and seminars will be conducted at the following URL: <https://connect.auca.kg/bankfall2014>

Objectives statement

Firstly the students will observe and analysis the financial environment. We will focus especially on constraints proper to each financial institution to understand the consequences on their business. Secondly, we will learn how to analyze a financial institution (especially banks) and understand the main risks underlying their main activities for deposits, loans and securitization. Thirdly, we will learn how FIs can control and limit the risk through financial instruments or regulation for governments.

Assessment plan

Grade Components	Percentage
3 quizzes	45
Participation during lectures and seminars (including presentations)	40
Final Exam	15
Total	100

Grading information

The grade scale is unified for Business Administration Academic Program as follows:

A	A-	B+	B	B-	C+	C	C-	D+	D	D-	F
100-93	92-90	89-87	86-83	82-80	79-77	76-73	72-70	69-67	66-63	62-60	59 –b/w

General remarks

Regarding attendance in case if any student will miss 3 (three) or more academic classes (i.e., 6 academic hours) without medical or valid reason, such student will see his/her grade downgraded by one letter (for instance if the student deserves A-, he/she will receive B-). Only medical evidence by Medical Service at the AUCA is valid for consideration by instructor.

Written group assignment must be typed in English and submitted to instructor via e-mail before required presentation in class.

Task order and terms of presentation will be pre-determined by Instructor between two sessions of group presentations.

Academic Dishonesty:

The American University of Central Asia is responsible to support and implement the policy against an academic dishonesty in accordance with the Int’l High Education Standards. Irrespective of motives, the chairs of academic programs provide a policy of intolerance to all cases of academic dishonesty and falling of the intellectual customs.

List of examples concern the academic dishonesty includes a fraud at examinations in the form of crabs using, the writing off the information at other students on group, a plagiarism at individual and/or group term assignments preparation, the active use of fraudulent situations at the appeal and evaluation of an

attendance level of academic course, and also the using of false information at evaluation of quality of teaching and contents of educational materials distributed.

The Instructor has a right to report on the facts of disturbance of principles of academic honesty on the part of the students to administration of appropriate structural department.

Lecture topics

Week	Subjects of academic course
Part 1: Institutions and Evaluation of Performance	
Lecture 1	Fundamentals of Financial Markets
Lecture 2	Depository Institutions, Insurance Companies, Securities Firms and Investment Banks
Lecture 3	Finance companies, Mutual Funds
Lecture 4	Evaluating performance of Financial Intermediaries
Lecture 5	Risks of Financial Intermediation/Online Banking Development, Advantages and Risks
Part 2: Bank Management and Risks	
Lecture 6	Measuring and Managing Risks on the Balance Sheet
Lecture 7	Credit Risk Loan Portfolio Risks
Lecture 8	Loan Sales and Asset Securitization
Lecture 9	Liquidity Risk
Lecture 10	Liability and Liquidity Management
Part 3: Financial Instruments against Risks	
Lecture 11	Management of Interest Rate Risk
Lecture 12	Market Risk
Lecture 13	Off-Balance Sheet Activities
Lecture 14	Financial Derivatives (Futures, Options, Swaps)
Lecture 15	Product Diversification

Bibliography

Cornett, Saunders. *Fundamentals of financial institutions management*, McGraw-Hill

Mishkin. *The economics of money*