

Module Descriptor – Management of Financial Institutions

Module – Short Title

Management of Financial Institutions

Module – Long Title

Management of Financial Institutions

Level

3

Credits

10

Semester

1

Pass Mark

40%

Module Description

This course aims to apply modern finance theory to the management of financial institutions and to explore other issues of an applied nature relevant to bank management. Topics covered include the measurement, analysis and theory of value creation, asset-liability and capital decisions, managing loans and the loan portfolio and hedging with and pricing derivatives in an international banking context.

Learning Outcomes

On completion of this module students should be able to:

- Explain a bank's financial statements and evaluate the risk, return and overall performance of a commercial bank, and apply these techniques to their own financial institution
- Describe how interest expectations affect bank asset and liability management and interpret how these expectations may be impacting on their own financial institution's strategy
- Explain the sources of bank funding and the techniques for measuring funding requirements and describe the risks and costs associated with raising funds and relate this to their own financial institution and its competitors
- Outline the methods for managing the asset portfolio
- Define capital adequacy and explain how banks manage capital
- Explain how banks manage credit risk and their loan book and assess their own institution's policy in this regard
- Compare and contrast SWAPS, futures, forward rate agreements, and options as hedges in international financial markets and calculate prices for these products

Prior Learning:

- Requirements – Completion of all subjects at Stage 2

Assessment

- Examination
- 7 questions with question 1 compulsory with candidates required to answer any other four – open book exam
- 60% of Final Grade
- 3 Hours
- Continuous Assessment (40%) - comprising 2 pieces of assessment worth 20% (case study) and 20% (essay) mid semester.

Workload (hours)

• Class Contact = (3 full days on campus of 6 hours each)	18
• Specified Learning Activities [assignments etc.]	
o Reading =	30
o Assignment =	45
o Reflective learning =	25
• Autonomous Student Learning	
o Class preparation =	10
o Self-Directed Learning =	50
o Exam Preparation =	27
o Exam =	3
• Total =	208

Students will be expected to reflect upon how the course concepts are applicable in their own workplace. A central feature of this module will be the sharing of the application and experience during class and the illustration of this experience in the coursework submitted. Advance preparation for the occasional classes scheduled, as part of this distance-learning module will be an important feature. Readings and questions to be reflected upon in advance of each meeting with the module tutor will be assigned at the start of the semester.

Additional Information

- The module is aimed at students who are interested in understanding the financial management of commercial banking services and aspire to management and senior management careers in Financial Services.
- The module seeks to examine the commercial bank in light of modern finance theory and to provide students with an understanding of bank financial management and the techniques that can be employed to strategically position a commercial bank.