

**VICTORIA INTERNATIONAL APPLIED FINANCE
PROGRAMME**

School of Economics and Finance

MMAF515 FINANCIAL INSTITUTIONS MANAGEMENT

Trimester Two 2010

COURSE OUTLINE

Names and Contact Details

The course coordinator is Dawn Lorimer, RH306. Preferred contact is by email. Email address is dawn.lorimer@vuw.ac.nz

The administrator for this course is Anna Potts, RH307. She can be contacted on (04) 463 6148 or viaf-programme@vuw.ac.nz

Trimester Dates

Study/Teaching Period: Monday 12th July – Thursday 21st October
Final Assignment Due: Thursday 11th November

Block Release Times

8:30am Tuesday, 24th August – 1:00pm Thursday, 26th August, 2010
and 8:30am Tuesday, 19th October – 1:00pm Thursday, 21st October, 2010.

Classes will take place in MY631 and KK216 on the Kelburn Campus. A detailed schedule of each block release course will be supplied closer to the August and October sessions. A supervised simulation study will run throughout the two block release sessions. Note that the final assignment for this course is due on Thursday, 11 November, 2010.

Attendance for all sessions of both block releases is compulsory.

Withdrawal from Courses:

Your fees will be refunded if you withdraw from this course on or before **23 July 2010**

The last date for withdrawal from this course is **Friday 24 September**. After that date, permission to withdraw requires the permission of the Associate Dean (Students) as set out in section 8 of the Personal Courses of Study Statute

<http://policy.vuw.ac.nz/Amphora!~~policy.vuw.ac.nz~POLICY~000000001743.pdf>

To apply for permission, fill in the Late Withdrawal form available from either of our Student Customer Service Desks.

Course Content

This is a comprehensive review of the policy and day-to-day operating environment of a deposit taking Financial Institution (FI) such as a Bank, Credit Union or Building Society. After a general introduction to the nature of FI management, the underlying performance measurement criteria are established, covering financial statements and key ratios. Liquidity management and asset/liability management are next considered, as are longer term and prudential requirements of capital structure and adequacy. Lending policy follows, with applications to primarily commercial, but touching on retail contexts. Risks involved in financial intermediation are analysed, with particular attention to interest rate and credit risk. The pricing of base products is explained, as is the use of derivatives to control risk. Throughout the emphasis is on hands-on practical work, utilising where appropriate simulation or spreadsheet computer based techniques.

Course Learning Objectives

Students should be able to:

- Explain the role of the financial institutions, and the nature of financial institution (FI) management;
- Apply risk and return measures in analysing performance of FIs;
- Analyse the management of financial exposures encountered by FIs;
- The above knowledge areas will be introduced through readings, lectures, tutorials, then applied in a case study assessment, a banking simulation and a simulation report. Knowledge areas will also be tested at the end of each block release course.

Course Delivery

The contact hours of the course will be during the two block releases detailed above. During the rest of the trimester, students will be expected to be engaged in self directed study using their textbooks and material posted on Blackboard, and completing assignments which will be posted on Blackboard. **Attendance at all sessions of both block releases is compulsory.**

Expected Workload

Total average workload of 200 hours. During the approximately 6 weeks of term prior to each block release, students will need to allow about 14 hours per week for study, research and preparation of assignments for this course. The two block courses each involve approximately 18 hours of work.

Group Work

There will be some group work based on discussion questions and simulations at the block releases. Whilst this is not formally assessed, participation in this will be factor in determining the marks awarded for participation as detailed below.

Textbook

Saunders, A., H. Lange: *Financial Institutions Management*, Australian Edition: Irwin 2007 [FIM]. This text is supplied by the programme to MMAF515 students.

Readings

Throughout the course additional readings will be assigned for different topics. Some of these will be included in your course folder, while others you will be able to source from The Victoria University library.

Readings will be specified detailed on Blackboard and include the following:

Hogan, Avram, Brown, Ralston, Skully, Hempel, Simonson: *Management of Financial Institutions*, 2nd edition, J. Wiley 2004 [MFI].

Shanmugan,B., C. Turton, G. Hempel : *Bank Management*, Australian edition . New York and Queensland, J. Wiley 1992. [BM]

Reserve Bank of New Zealand Bulletin and website: <http://www.rbnz.govt.nz>

Materials and Equipment

It is necessary to bring a calculator to the block courses. A good financial calculator such as the HP17BII or HP10BII is strongly recommended. During tests students will be allowed to use calculators, but not hand held or other computers.

Assessment Requirements

The following schedule of assessment applies:

Exams:	One test at each block release session based on reading assigned for period leading up to the block release and material presented at the block release. Please bring your calculator.	60%
Tutorial questions:		2%
Assignments:	Two assignments which count together for 38%. Scheduled due dates for the assignments are: 4 pm Thursday 23 rd September 2010 (18%) 4 pm Thursday 11 th November 2010 (20%)	38%
Total Assessment:		100%

Note that students must attain an overall mark of 50% in order to achieve a passing grade.

Assignment Submission

Assignments are to be submitted online through Blackboard. All assignments are due at 4pm on the due date. Students are responsible for ensuring their name and student ID appears on each page of all submitted work.

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All

material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

Examinations

MMAF515 has no formal examination, but does have the two tests detailed above.

Penalties

Each of the assignments will be marked out of a maximum that diminishes by 5% for every day late. Please note that the weekend no longer counts as one day (i.e. if an assignment is due by 4pm Friday and you hand it in 3pm Sunday, you will be penalized for 2 days). Please carefully read the assignment guidelines for details of how assignments should be submitted. There will be a final cut off date, one week after the due date for each assignment, after which no assignment can be accepted.

The assignments will each carry a specified word limit. If an assignment exceeds the word limit, credit will be given only from the beginning of the assignment up to the word limit. No credit will be given for the portion of work extending beyond the word limit.

Mandatory Course Requirements

To pass, a student must attend all sessions of both block release courses.

Class Representative

A class representative will be elected at the start of the trimester, and that person's name and contact details will be available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

Communication of Additional Information

Additional information including assignment questions, details of the block course schedule, feedback on course assessments, etc will be provided via Blackboard, email or by post. Students are responsible for ensuring that the VIAF administrator, (email: viaf-programme@vuw.ac.nz), has their up to date email and postal addresses.

If you have, or become aware of, any health condition that could prevent you attending a VIAF compulsory block release, then you should notify the Programme Director immediately, preferably by email, dawn.lorimer@vuw.ac.nz.

Use of Turnitin

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com> Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

For the following important information follow the links provided:

Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes

<http://www.victoria.ac.nz/home/about/policy>

AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support

http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx

Faculty of Commerce and Administration Offices

<http://www.victoria.ac.nz/fca/studenthelp/>

Manaaki Pihipihinga Programme

http://www.victoria.ac.nz/st_services/mentoring/