

School of Economics and Finance

## **FINA 308 FINANCIAL INSTITUTIONS MANAGEMENT**

Trimester 2 2013(tentative)

### **COURSE OUTLINE**

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#### **Names and Contact Details**

		<b>Office</b>	<b>Telephone</b>
<i>Course Coordinator &amp; Lecturer</i>	David Alexander <a href="mailto:David.Alexander@vuw.ac.nz">David.Alexander@vuw.ac.nz</a> Office Hours: Tuesday 10:30-13:30	RH 308	463 5125
<i>Course Administrator</i>	Bonnie Riley <a href="mailto:Bonnie.Riley@vuw.ac.nz">Bonnie.Riley@vuw.ac.nz</a> Office hours: Monday-Friday 9:00-12:00 and 13:00-16:00	RH 321	463 5380

#### **Trimester Dates**

Teaching Period:	Monday 16 July – Friday 19 October
Mid-trimester Break:	Monday 27 August – Friday 7 September
Study Period:	Monday 22 October – Thursday 25 October (Monday 22 October is a public holiday, Labour Day)
Examination Period:	Friday 26 October – Saturday 17 November (inclusive)

#### **Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before Friday 27 July 2012.
2. The standard last date for withdrawal from this course is Friday 28 September. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an 'Application for Associate Dean's Permission to Withdraw Late' including supporting documentation.

The application form is available from either of the Faculty's Student Customer Service Desks.

#### **Class Times and Room Numbers**

**Lectures:** Tuesday, Thursday 8:30-9:20 in RHLT2

**Tutorials:** Tuesday 9:30-10:20 in RWW302  
Thursday 9:30-10:20 in RWW202  
start week of July 23.

## **Course Content and Schedule**

This course first surveys the variety and intermediation functions of Financial Institutions (FI's) existing in today's financial markets. The course continues by examining in detail the dominant sources of risk FI's face in providing their services to borrowers and lenders. In particular, this course will discuss methods used by FI's to accurately quantify these dominant sources of risk and how to control them while simultaneously maintaining an acceptable level of profitability. As we examine risk measurement and risk management in detail, recent financial history, such as the "GFC" (Global Financial Crisis) of 2008 and the unfolding European debt crisis, will be drawn upon for illustrative and informative examples of the issues involved in regulating FI's and the overall robustness of the global financial system.

## **Course Learning Objectives**

Students who are successful in this course will be able to:

- C1 : explain the nature, role, functioning and supervision of financial institutions
- C2 : identify and measure risk in a financial institution and explain how it can be managed
- C3 : explain credit risk, interest rate risk, and foreign exchange risk
- C4 : analyse capital adequacy regimes and other operational requirements for banks and other financial institutions

## **Course Delivery**

The course will consist of Lectures and Tutorials. Lectures will be used to summarize all assigned textbook readings, which are examinable. The suggested approach is to quickly scan the assigned readings before the associated lecture, attend the lecture to identify what information and ideas are most relevant for student assessment, and then, after the Lecture, read and study the highlighted information and ideas very carefully. As it is not possible during Lectures to cover material at the same level of detail as in the text, Tutorials will be used to expand upon important points raised in Lectures and to demonstrate solutions to numerical examples, often using Excel. Tutorials will also provide time for students to ask for individual help with text readings and the assignment, due at the end of term.

## **Expected Workload**

This course is a 15-point course. One point is equated to 10 hours of work, which means a total of 150 hours is expected for this course, spread over the 12 teaching weeks, mid-trimester break, study week and the examination period. This involves attending the lectures and tutorials every week, completing all assigned reading, the assignment, and preparations for all tests and the final exam. Specifically, we shall be covering the entire text and so students are expected to read approximately 30 pages of the text per Lecture.

## **Readings**

The prescribed text for this course is **Saunders, A. and Cornett, M.M., *Financial Institutions Management : A Risk Management Approach*, 7<sup>th</sup> Edition, 2011**, which is available in the Commerce Library for 2 hour loans as well as in the Victoria book store. Since we shall be covering all of the prescribed text in this course, it is important to have convenient access to it and to not fall behind with the assigned readings.

## **Materials and Equipment**

Students will be permitted to use electronic calculators during tests and final exam. For tests and final exam, these calculators must be non-programmable and cleared of memory in advance. Any formulas needed for the tests and final exam will be provided. Excel and Word will be used for the assignment and in Tutorials. Lecture slides, handouts, and the assignment will all be posted on Blackboard.

## Assessment Requirements

- **Test 1:** 10% of grade, 50 minutes, in class, closed-book, on **Thursday 2 August**.
- **Test 2:** 25% of grade, 50 minutes, in class, closed-book, on **Thursday 27 September**.
- **Assignment:** 15% of grade, due **Friday 12 October**.
- **Final Examination:** 50% of grade, 2 hours, closed-book, **Date to be advised**.

### *Quality Assurance Note*

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

## Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period.

The final examination for this course will be scheduled at some time during the period from Friday 26 October – Saturday 17 November (inclusive).

## Penalties

A late assignment submission will result in a 10% per day deduction for each day it is late, unless prior permission has been granted or evidence of exceptional circumstances (e.g. medical issues) is provided.

## Mandatory Course Requirements

In addition to achieving an **overall course mark of 50% or more**, students must obtain a **minimum of 40% in each individual piece of assessment**.

## Class Representative

A class representative will be elected in the first class, and that person's name and contact details made 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 concerning this course will be posted on Blackboard: <http://blackboard.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**

Find key dates, explanations of grades and other useful information at [www.victoria.ac.nz/home/study](http://www.victoria.ac.nz/home/study)

Find out about academic progress and restricted enrolment at

<http://www.victoria.ac.nz/home/study/academic-progress.aspx>

The University's statutes and policies are available at [www.victoria.ac.nz/home/about/policy](http://www.victoria.ac.nz/home/about/policy), except qualification statutes, which are available via the Calendar webpage at

<http://www.victoria.ac.nz/home/study/calendar.aspx> (See Section C).

Further information about the University's academic processes can be found on the website of the Assistant Vice-Chancellor (Academic) at

[www.victoria.ac.nz/home/about\\_victoria/avcacademic/default.aspx](http://www.victoria.ac.nz/home/about_victoria/avcacademic/default.aspx)

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

[http://www.victoria.ac.nz/home/about\\_victoria/avcacademic/Publications.aspx](http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx)

### **Faculty of Commerce Office**

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

### **Te Putahi Atawhai**

#### **Maori and Pacific Mentoring Programme**

<http://www.victoria.ac.nz/tpa/>