

Detailed course description for instructors

Course code:	7VG32NBKF4M
Course title (in English):	Financial Institutions in Global Markets
Number of contact hours:	2+2 (2+2: one 90-minute lecture and one 90-minute seminar per week)
Number of credits:	6
Estimated student workload (in academic hours):	180
Fall/Spring:	Fall 2021/2022
Language of education:	English
Department:	World Economy
Course leader:	<i>Hadházyné dr. Burucs Magdolna Judit</i>
Time of class:	TBA

Description of the course

The purpose of this course is to help students understand the structure, functions, operation and challenges of the financial services industry in global market. The course introduces today's international regulatory framework, technological change and other key issues in the financial sector. The course deals with the main services, activities and operations of financial institutions (with particular reference to commercial banks).

Aspects of sustainable development:

The course provides an opportunity for the student to understand both the impact of the financial sector on society and the importance of international regulation on the financial market as well as the role of banks in promoting comprehensive and sustainable industrialization and innovation.

The student will

- review the financial infrastructure components: (legal and regulatory framework for financial sector operations, structure of financial services sector, payment system, etc.) and distribution channels (branches, ATM, telephone services and websites)
- know the sources of funds and Treasury, investment, specialized banking, credit products, as well as international banking services,
- evaluate the asset-liability management, risk management of banks as well as Financial Statement and performance critically,
- review the specificities of corporate governance, organizational structure

Skills:

The student will

- be able to measure of development of financial institutions in a country based on the Worldbank's methodology,
- be able to analyze the functioning of banks using the CAMELS (Bank qualification) methodology,
- gain experience in reading and interpreting the Annual Report of international financial holding company (specified attention to the parent bank),
- be able to use basic financial risk management techniques,
- be able to prepare a presentation for the operation of a bank.

Learning:

Students form groups of 2- 3 people. Student joins to one.

Homework is done partly in the group and partly individually. The group prepares a presentation for the operation of a commercial bank at the end of the course.

Classification scale:

50% and below 1,
 51% to 62%: 2,
 63% to 74%: 3,
 75% -: 86% 4,
 87%: and above 5.

Assessment, grading:

The final grade is composed as follows:

Final exam: 40%
 Presentation and group work: 30%
 Homework: 20%
 Class Activity 10%

Written final assessment will be based upon a written exam including definitions, short essay-type questions and multiple-choice tests and numerical exercises.

Presentation: During the semester period, the established student group works together and presents an analysis of a commercial bank in 15 minutes at the end of the semester.

Homework points are related to the essays and the basic risk management techniques

Class activity points will be based on how regularly students contribute meaningfully to discussions.

Class attendance sheets will be taken. Anyone missing more than 3 classes will not be able to pass the course.

Compulsory readings:

The material of the lectures and seminars is compulsory. Nothing will be asked on the exam that was not discussed during a lecture or a seminar or the compulsory textbook does not contain.

Lecture slides and handouts can be found in the Moodle system. Please note however, that these slides are only crude outlines of the lectures, and they do not substitute notes taken in class or reading the textbook.

Compulsory textbook:

Peter Rose, Sylvia Hudgins: Bank Management & Financial Services, McGraw-Hill, 2013

Date of class (lecture- seminar)	Topics to be discussed, readings required for the class
1 st week	Topic: The components of the financial infrastructure (legal and regulatory framework for financial sector operations, etc.) Assignments of students: creating groups
2 nd week	Topic: Financial institutions and financial holding companies, Measure of development of financial institutions in a country based on the Worldbank's methodology Assignments of students: Analyzing the members of the selected international financial holding company based on the Annual Report of the holding company.

3 rd week	Topic: Distribution channels (Branches, ATM, Telephone services and websites) and Payment system Assignments of students: Analyzing the distribution channel of the selected financial holding company.
4 th week	Topic: Financial statements and KPI Assignments of students: analyzing the KPI of the parent company of the selected financial group.
5 th week	Topic: Asset – liability management / Interest rate risk Assignments of students: 1) essay (100 words) on a given case study related to the interest rate risk management) 2) Analyzing the interest rate risk exposure of the parent company of the selected financial group
6 th week	Topic: Liquidity management Assignments of students: 1) Essay (100 words) on a given case study related to the liquidity risk management) 2)Analyzing the liquidity risk exposure of the parent company of the selected financial group
7 th week	Topic: Treasury products- and market risk management Assignments of students: 1) Essay (100 words) on a given case study related to the market rate risk management 2)Analyzing the market risk exposure of the parent company of the selected financial group
8 th week	Topic: CAMEL methodology Assignments of students: Essay (200 words) on a given case study related to the methodology.
9 th week	Topic: Providing loans to business and consumers and credit risk management Assignments of students: 1) Essay (100 words) on a given case study related to the credit risk management) 2)Analyzing the credit risk exposure of the parent company of the selected financial group
10 th week	Topic: Strategy and international banking Assignments of students: Analyzing the strategy of the parent company of the selected financial group
11 th week	Topic: Business and operational risk management and corporate governance Assignments of students:1) Essay (100 words) on a given case study related to the operational risk management) 2)Analyzing the operational risk exposure of the parent company of the selected financial group
12 th week	Topic: Summary and presentations