FIN955 INTERNATIONAL BANKING 6 CP

SPRING SESSION 2006 WOLLONGONG CAMPUS

Subject Coordinator and Lecturer

DR. SHYAM BHATI School of Accounting and Finance

Room: 40.318  Ph: 4221 5383  email: sbhati@uow.edu.au

Consultation:
Monday  16.30 to 17.30
Thursday  14.30 to 15.30
Wednesday  11.30 to 13.30
SECTION A: GENERAL INFORMATION

LECTURE TIMES
Lectures will be held on Wednesday 15.30 to 17.30 Room 67.302

BRIEF OUTLINE
The global impact of banking is the focus of this subject. The subject incorporates comprehensive discussion of issues that commonly arise in the international banking environment. These include the development of the international monetary system, the deregulation of banking, methods of payment in international trade, foreign exchange markets, international lending and developments of new technology.

STUDENT LEARNING OUTCOMES
On successful completion of this subject, the student should be able to demonstrate an understanding of:

1. the importance of international operations of the banks for their overall business.
2. the mechanisms of the various methods of payments involved in the settlement of international transactions, the role of banks in facilitating those transactions and various issues connected with them.
3. the foreign exchange markets within the banking environment.
4. various types of risks that the banks face in their international operations.
5. various types of regulatory regimes in which the banks conduct their international operations.
6. the impact of deregulation on the international operations of Australian and other global banks.
7. various new developments taking place in the international banking environment

This will help the students in critically evaluating the influence of various social, political and economic factors on the international operations of banks in Australia and overseas.
## LECTURE PROGRAM

<table>
<thead>
<tr>
<th>Week No.</th>
<th>Beginning Date</th>
<th>Topic</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>17/07/06</td>
<td>Introduction</td>
<td>JEH Ch.2</td>
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<tr>
<td>2.</td>
<td>24/07/06</td>
<td>International monetary systems</td>
<td>Reading Wk.2</td>
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<td>3.</td>
<td>31/07/06</td>
<td>International Commercial Banking</td>
<td>JEH Ch. 4 &amp; 6</td>
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<td></td>
<td></td>
<td>International private banking</td>
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<td>4.</td>
<td>07/08/06</td>
<td>Foreign exchange markets</td>
<td>JEH Ch. 8</td>
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<td></td>
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<td>Eurocurrency markets</td>
<td></td>
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<tr>
<td>5.</td>
<td>14/08/06</td>
<td>Payment and settlement systems</td>
<td>Reading Wk.5</td>
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<tr>
<td>6.</td>
<td>21/08/06</td>
<td>Methods of payment in international trade</td>
<td>Reading Wk.6</td>
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<td>7.</td>
<td>28/08/06</td>
<td>International Lending – principles &amp; practice</td>
<td>Reading Wk.7</td>
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<tr>
<td>8.</td>
<td>04/09/06</td>
<td>Loan syndication &amp; Project Finance</td>
<td>Reading Wk.8</td>
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<tr>
<td>9.</td>
<td>11/09/06</td>
<td>International Investment Banking</td>
<td>JEH Ch. 5</td>
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<td>10.</td>
<td>18/09/06</td>
<td>Bank Crashes</td>
<td>JEH Ch. 9 &amp; 10</td>
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<td></td>
<td></td>
<td>Supervisory &amp; Regulatory Issues</td>
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**Essay due on 20/09/06**

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**Mid-session recess from 25/09/06 to 29/09/06**

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<table>
<thead>
<tr>
<th>Week No.</th>
<th>Beginning Date</th>
<th>Topic</th>
<th>Reference</th>
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</thead>
<tbody>
<tr>
<td>11.</td>
<td>02/10/06</td>
<td>Risk Management</td>
<td>JEH Ch. 11 &amp; 14</td>
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<tr>
<td></td>
<td></td>
<td>Country Risk Analysis</td>
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</tr>
<tr>
<td>12.</td>
<td>09/10/06</td>
<td>Strategic and organisational issues</td>
<td>JEH Ch. 3</td>
</tr>
<tr>
<td>13.</td>
<td>16/10/06</td>
<td>New developments in international banking.</td>
<td>JEH Ch. 15</td>
</tr>
</tbody>
</table>

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*Additional references relevant to each topic will be advised during the lecture*
ATTENDANCE REQUIREMENTS
In order to maximise learning outcomes, it is strongly recommended that students attend all lectures.

PERFORMANCE LEVEL
To be eligible to pass this subject, students must achieve an overall mark of at least 50%, and at least 40% on the final examination.

REQUIRED TEXT(S)
This textbook is available online from the University Bookshop at http://unishop.uow.edu.au/textbooks/

In addition to the text, the following readings will be referred:

Week 2- International Monetary System

Week 5- Payment Systems

Week 6 - Methods of payment in International Trade
TD Bank Financial Group, “A guide to Letter of Credit, Import/Export”

Week 7 - International Lending – Principles & Practice
Peter K. Oppenheim, Principles of International Lending, Global Banking, American Bankers Association, 1999, Chapter 10, p. 44-64

Week 8 - Loan Syndication & Project Finance
Roy C. Smith and Ingo Walters, Global Banking, Oxford University Press, 2003, p. 103 - 145
**Additional References**


Please note that while these readings are listed to help you in sourcing materials, these readings by no means represent all the source material available.

*This is not* an exhaustive list of references. Students should also use the library catalogue and databases to locate additional resources.
SECTION B: ASSESSMENT

WRITTEN ASSESSMENT

<table>
<thead>
<tr>
<th>Assessment 1:</th>
<th>ESSAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topic</td>
<td>The current state of the Basel II Capital Adequacy Framework</td>
</tr>
<tr>
<td>Length:</td>
<td>2500 words</td>
</tr>
<tr>
<td>Weighting:</td>
<td>20%</td>
</tr>
<tr>
<td>Due date</td>
<td>20/09/06</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Assessment 2:</th>
<th>GROUP REPORT</th>
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</thead>
<tbody>
<tr>
<td>Topic</td>
<td>Topics will be allocated to each group during the lectures</td>
</tr>
<tr>
<td>Length:</td>
<td>3000 words written report and 30 minutes presentation by each group</td>
</tr>
<tr>
<td>Weighting:</td>
<td>30%</td>
</tr>
<tr>
<td>Due date</td>
<td>Each group will be advised the due date separately</td>
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</table>

EXAMINATIONS

FINAL EXAMINATION

<table>
<thead>
<tr>
<th>Weighting</th>
<th>50%</th>
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</thead>
<tbody>
<tr>
<td>Date</td>
<td>The final examination date will be confirmed during the course of the subject and published on SOLS 3 to 4 weeks before the examination period.</td>
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<tr>
<td>Time allowed</td>
<td>3 Hours and 15 Minutes</td>
</tr>
<tr>
<td>Structure of paper</td>
<td>Long answer/ short answer</td>
</tr>
</tbody>
</table>

SCALING

Marks subject to scaling
SUBMISSION, RETENTION AND COLLECTION OF WRITTEN ASSESSMENT

Assessment tasks which are relevant to the final examination for the subject will be marked and available for collection prior to the study week before the final examination.

A Faculty of Commerce assignment cover sheet should be attached to each piece of written assessment.

This cover sheet can be obtained from the website:

PENALTIES FOR LATE SUBMISSION OF ASSESSMENT

Assessed work must be handed in by the date and time given. Assessed work handed in late can be penalised by the deduction (from the mark given to the assessed work) of 5 percentage points per 24 hours of the weekday or part thereof. The operation of this rule will not result in a negative mark being carried forward.

PLAGIARISM

Plagiarism means using the ideas of someone else without giving them proper credit. For example, that someone else may be an author, critic, journalist, artist, composer, lecturer, tutor or another student. Unintentional plagiarism can result if you don’t understand and use the acceptable scholarly methods of acknowledgement. Whether plagiarism is deliberate or unintentional, the University may impose penalties, which can be very severe. When it is desirable, or necessary, to use other people’s material, take care to include appropriate references and attribution. **Plagiarism will not be tolerated and has led to expulsion from the University.**

Students should visit the following University website and become familiar with the University’s policy on Plagiarism.

**SECTION C: RULES, CODES OF PRACTICE & POLICIES**

**C1 UNIVERSITY POLICIES**

Information on the following University Policies can be found at the websites below:

<table>
<thead>
<tr>
<th>Policy Description</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical objection by students to the use of animal and animal products in coursework subjects</td>
<td><a href="http://www.uow.edu.au/about/policy/ethicalobjectionanimals.html">http://www.uow.edu.au/about/policy/ethicalobjectionanimals.html</a></td>
</tr>
</tbody>
</table>

* see brief explanation of policy below.

**C1.1 Non-discriminatory Language**

The Faculty of Commerce supports the University’s policy on the use of non-discriminatory language. It is the responsibility of students to ensure that they understand and abide by this policy. The policy is available at:

C1.2 Special Consideration Policy

The Faculty of Commerce recognises that it has a responsibility to ensure equity and consistency across its subjects for all students. Sometimes, in exceptional circumstances, students need to apply for special consideration in order to complete all assessable work.

The University applies strict criteria to the granting of special consideration. Before applying for special consideration students should carefully read the University’s policy. The policy can be found at:


Add any School specific procedures or information here {or delete statement}.

C1.3 Student Academic Grievance Policy

The Faculty of Commerce aims to provide a fair, equitable and productive learning environment for all its students. The Student Academic Grievance Policy seeks to support the achievement of this goal by providing a transparent and consistent process for resolving student academic grievances.

Any student who has a grievance over a result should obtain a Faculty of Commerce Appeal of Assessment Form from the Schools or the Sub-Dean’s Unit. The student should firstly take the form to the marker/lecturer to discuss the matter and, if the student is still not satisfied, s/he should take the next step as outlined on the form.

Once the grievance has been considered by the Faculty, if the student still feels the situation has not been fully resolved s/he may consult the Dean of Students. However, the Dean of Students can have no input into the academic judgement of the lecturer and can only review the grievance to ensure proper procedure has been followed.

For more information, please consult the policy in full at


C2 FACULTY AND SCHOOL POLICIES

REFERENCING

WHY DO YOU NEED TO REFERENCE?

At University it is necessary to acknowledge the sources of information and ideas that you have incorporated in your assignments. Failure to do this thoroughly may result in accusations of plagiarism: this is the academic equivalent of stealing (because by not acknowledging someone else’s work, you are presenting it as your own). Plagiarism is taken very seriously by the University and may result in expulsion from the University.

Referencing is not only about acknowledging other people’s work: accurate referencing and lists of references are beneficial when researching a topic as they allow the reader to follow up information and read further into the area. In a sense, references provide readers with clues to help them explore different avenues of a topic. This aspect of referencing will become more valuable to you as you progress in your studies.

There is a correct procedure that must be followed when referencing and using footnotes. Not complying with these set techniques and format will most likely result in loss of marks.

When writing an essay it is easiest to reference as you go, making sure you are writing down all relevant information. This will save hours trying to find the source again in the library.

THE HARVARD SYSTEM OF REFERENCING
The Faculty of Commerce uses the Harvard system of referencing. This system makes use of short references within the body of the text. It is supplemented by a detailed list of references at the end of the text, which provides all the information necessary to find the source material. In-text references include the author and year of publication, and where necessary the page number(s).

*It is the responsibility of students to ensure that they are familiar with the Harvard system of referencing and that they use it accurately in all written work submitted.*

Students should consult the following University Library website for a detailed explanation and examples of the Harvard system of referencing.


**CITATION OF ELECTRONIC SOURCES**

It is necessary for students to reference all sources used in their written work, including file transfer protocol sites, worldwide web sites, telnet sites, synchronous communications (MOOs, MUDs, IRC, etc.) Gopher sites, and email, Listserv and Newsgroup citations.

*It is the responsibility of students to ensure that they are familiar with the accepted Faculty of Commerce practice for referencing electronic material and that they use it accurately in all written work submitted.*

Students should consult the following University Library website for a detailed explanation and examples of how to reference electronic material.


**OCCUPATIONAL HEALTH AND SAFETY WHERE RELEVANT, INCLUDING SAFETY IN LABORATORIES AND ON FIELD TRIPS**

**C3 SUPPORT SERVICES AND FACILITIES**

{The following details of C3 are relevant to the Wollongong campus. Off-campus sites should include their relevant support service details and delete areas which are not relevant}.

**LEARNING RESOURCE CENTRE**

Learning Development offers a range of free services to all enrolled students who wish to improve their academic or English language skills. There are a range of workshops available including: essay writing and editing; reading for assignments; grammar; presentation skills; pronunciation and exam preparation.

For information on language and academic skills workshops, or to make appointments for consultations, please visit the Learning Resource Centre (LRC), Building 19, Ground Floor, Room G102, or Phone 02 4221 3977. For further information visit the website:


**FACULTY LIBRARIANS**

Each faculty has a Faculty Librarian who is available to help with research related enquiries. Research Help Desk staff are also available in the Library to assist with research needs.
The Faculty Librarians for Commerce can be contacted as follows:

   email:       lib_commerce@uow.edu.au
   telephone:   42 213078

DISABILITY LIAISON OFFICER

The Disability Liaison Officer (DLO) can provide advice on how particular disabilities affect university study and information on resources available at the University for assisting students with disabilities. Students commencing courses are advised to contact the Disability Liaison Officer prior to the beginning of their first session of study.

For further information on services offered, consult the Disability Services website or contact the office.

   web address: http://www.uow.edu.au/student/services/ds/
   telephone: 42 213445
   fax:        42 215667

FACULTY DISABILITY ADVISERS

Faculty Disability Advisers are academic staff who provide assistance and support to students with disabilities within their Faculty and act as an intermediary between the student and the Faculty's academic and general staff. They provide support, educational advice and referral to appropriate staff on issues related to teaching and learning within the Faculty and the University. Students are advised to communicate specific information about the ways in which their disability affects learning to the Faculty Disability Adviser as soon as possible after enrolment.

The Faculty of Commerce Disability Adviser is Mr. Ron Perrin. Mr Perrin can be contacted as follows:

   Office location: Building 40, room 224
   email address: ron_perrin@uow.edu.au
   telephone: 42 214118

ABORIGINAL EDUCATION CENTRE

The Aboriginal Education Centre (AEC) provides academic and personal support for Aboriginal & Torres Strait Islander and other indigenous students. The Centre also runs an Indigenous Specific Orientation Program for students who gain entry to the University through the alternative admissions program.
For further information on services offered, consult the Aboriginal Education Centre website or contact the office.

Centre location: Building 30
web address: http://www.uow.edu.au/aec/
telephone: 42 213563
fax: 42 214244