Subject Outline

FIN 955 INTERNATIONAL BANKING
Wollongong

Credit Points- 6
Spring Session 2004

Subject Co-ordinator    Dr. Shyam Bhati
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Telephone:    02 4221 5383
E-mail: sbhati@uow.edu.au

School of Accounting and Finance
Subject details

Description

The global impact of banking is the focus of this subject. The subject entails comprehensive discussions on issues that are commonly involved within the international banking environment.

Objectives

On successful completion of this subject the students 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.

Method of delivery

Face to face delivery

Study time

6 hours per week including class attendance
Lecture/tutorial times

Lecture time: Tuesday 13.30 to 15.30 Hrs.
Location: Room 40.131

Major text


Book of Readings "FIN 955, International Banking", School of Accounting and Finance, University of Wollongong, Wollongong. (BOR)

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.

Useful Websites

Students are encouraged to visit the following websites for current developments in international banking.

Bank of International Settlements: http://www.bis.org
International Monetary Fund: http://www.imf.org
Board of Governor of Federal Reserve System: http://www.federalreserve.gov
Bank of England: http://www.bankofengland.co.uk
International Chamber of Commerce: http://www.icc.org
Reserve Bank of Australia: http://www.rba.gov.au
American Bankers Association: http://www.aba.com
<table>
<thead>
<tr>
<th>Week No.</th>
<th>Week Beginning</th>
<th>Topic</th>
<th>Reference</th>
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<tbody>
<tr>
<td>1.</td>
<td>19/7/04</td>
<td>Introduction</td>
<td>JEH Ch.2</td>
</tr>
<tr>
<td>2.</td>
<td>26/7/04</td>
<td>International monetary systems</td>
<td>BOR Readings Wk.2</td>
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<tr>
<td>3.</td>
<td>02/08/04</td>
<td>International Commercial Banking</td>
<td>JEH Ch. 4 &amp; 6</td>
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<td>International private banking</td>
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<td>4.</td>
<td>09/08/04</td>
<td>Foreign exchange markets</td>
<td>JEH Ch. 8</td>
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<td>Eurocurrency markets</td>
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<tr>
<td>5.</td>
<td>16/08/04</td>
<td>Payment and settlement systems</td>
<td>BOR Readings Wk.5</td>
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<td>6.</td>
<td>23/08/04</td>
<td>Methods of payment in international trade</td>
<td>BOR Readings Wk.6</td>
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<tr>
<td>7.</td>
<td>30/08/04</td>
<td>International Lending – principles &amp; practice</td>
<td>BOR Readings Wk.7</td>
</tr>
<tr>
<td>8.</td>
<td>06/09/04</td>
<td>Loan syndication &amp; Project Finance</td>
<td>BOR Readings Wk.8</td>
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<tr>
<td>9.</td>
<td>13/09/04</td>
<td>International Investment Banking</td>
<td>JEH Ch. 5</td>
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<td><strong>Essay due on 14/09/04</strong></td>
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<tr>
<td>10.</td>
<td>20/09/04</td>
<td>Bank Crashes</td>
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<td></td>
<td></td>
<td>Supervisory &amp; Regulatory Issues</td>
<td>JEH Ch. 9 &amp; 10.</td>
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<td><strong>Two weeks recess from 27/09/04 to 01/10/04</strong></td>
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<td>11.</td>
<td>04/10/04</td>
<td>Risk Management</td>
<td>JEH Ch. 11 &amp; 14</td>
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<td></td>
<td></td>
<td>Country Risk Analysis</td>
<td></td>
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<td>12.</td>
<td>11/10/04</td>
<td>Strategic and organisational issues</td>
<td>JEH Ch. 3</td>
</tr>
<tr>
<td>13.</td>
<td>18/10/04</td>
<td>New developments in international banking.</td>
<td>JEH Ch. 15</td>
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</table>

*References relevant to each topic will be advised during the lecture

Tutorial questions on each topic will be advised at the end of the lecture every week.
Contacts

Subject Coordinator/lecturer

Dr. Shyam Bhati
School of Accounting and Finance
Building No 40, Room No 318
Telephone 61 2 4221 5383
Facsimile 61 2 4221 4297
Email sbhati@uow.edu.au
Consultation times: TBA

Student administration

Telephone 61 2 4221 3938
Facsimile 61 2 4221 4322
Email studenq@uow.edu.au
Student OnLine Services http://www.uow.edu.au/student/sols

Library

Telephone 61 2 4221 3548
Web http://www-library.uow.edu.au
Distance students studying within Australia should refer to the Off-Campus Library Services Student Guide contained in their subject package. Distance students studying outside Australia should contact their subject coordinator as arrangements for library services may be available within their own country.

Purchasing of books (Unishop)

Telephone 61 2 4221 8050
Facsimile 61 2 4221 8055
Email unishop@uow.edu.au
Assessment Guidelines

General Criteria

In order to complete the subject successfully, the student will be required to complete all the requirements listed below, which are compulsory.

1. Attendance at and an active participation in at least 90% of the lectures.

2. Submission of, in an academically acceptable form and within the time and length limits specified:
   a. Seminar presentation and written paper
   b. Essay

3. Achievement of at least 40% marks in the final examination
   (Marks are subject to scaling)

4. The student's performance in the subject will be assessed based on the following
   a. One essay 20%
   b. One Group seminar/case study (Presentation and written paper) 25%
   c. Class participation (Tutorial task) 5%
   d. Final examination 50%

Performance grades

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
<th>Marks</th>
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<tbody>
<tr>
<td>HD</td>
<td>High Distinction</td>
<td>85–100%</td>
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<tr>
<td>D</td>
<td>Distinction</td>
<td>75–84%</td>
</tr>
<tr>
<td>C</td>
<td>Credit</td>
<td>65–74%</td>
</tr>
<tr>
<td>P</td>
<td>Pass</td>
<td>50–64%</td>
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<tr>
<td>F</td>
<td>Fail (unsatisfactory completion)</td>
<td>0–49%</td>
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</table>
Special Consideration

University policy requires students who, through serious illness or other circumstances beyond their control, are unable to attend an examination or meet any of the other course requirements, to submit medical or other documented evidence as soon as possible after the event to support their request for special consideration. The evidence should be submitted to Student Inquiries Office. Students should make their request online using SOLS [http://www.uow.edu.au/student/].

Submission of medical certificate by itself does not guarantee Special Consideration. Student’s eligibility in this regard will be assessed taking into consideration the overall circumstances in each case.

Supplementary examinations

Students should note that supplementary examinations are not an automatic entitlement on the submission of a request for special consideration. In cases where the decision is made to allow a supplementary examination, students will usually be required to take the examination at a date to be determined by the School within three weeks of the end of the formal examination period. Students will be notified of the exam at least seven days beforehand. It is every student’s responsibility that the University has a correct record of your current address.

Full details of the University’s policy regarding special consideration are available on the web at [http://www.uow.edu.au/handbook/courserules/specialconsideration.html].

Disability Policy

If a student with a disability requires reasonable accommodation in this subject, they are strongly advised to discuss the issues early in the session with one of the following people: the Disability Liaison Officer, Faculty Disability Adviser and/or the Subject Coordinator. Students with a disability should also register with the University of Wollongong Disabilities Unit. More details can be found on the web at [http://www.uow.edu.au/student/services/disabl.html].

Non Discriminatory Language

As part of its Equal Opportunity/Affirmative Action initiatives, the University of Wollongong endorses a policy of non-discriminatory language practice and presentation in all academic and administrative activities of the University. The policy is available at [http://staff.uow.edu.au/eeo/nondiscrimlanguage.html].

Receipt of Assessment Tasks
It is your responsibility to ensure that you have a receipt signed by your lecturer/tutor, acknowledging submission of written work.
Assessment Tasks

Task 1: Essay

Due date: 14/09/04

Weighting: 20%
Length: 3000 words

Assignment details

Essay: The due date for the submission of essay is 14/09/04. The essay topic is "Foreign exchange business is a demanding business. It involves high risks and high returns. Everything eventually washes out in the foreign exchange markets, so that the currency rate will come to reflect political factors, economics, financial issues, personalities, weather, culture and dumb luck. This makes FX trading both a serious challenge and an opportunity for market participants, including banks." (Jane B Hughes and Scott B MacDonald, Addison Wesley, 2004, Ch. 8, P. 199)

Critically discuss the above statement, giving the reasons for agreeing or disagreeing with it. The essay topic should be discussed using examples.

Requirements of the essay

1. The essay should be of 3000 words in length.
2. The essay should be typed using 1½ or double line spacing with a 2.5cms margin on all sides.
3. The essay should include a synopsis and a list of references. The method of referencing used in the Accounting Review should be used.
4. Two copies of the essay should be submitted in person to the subject coordinator during the seminar session of the particular week.
   Essays must not be posted or transmitted by fax
5. There are penalties for
c. No references  
d. Failure to refer to press and/or journals

Assessment Criteria/Marking Guidelines

The assessment of the essay will be based on the following:

a. Synopsis  
b. Structure and Presentation  
c. Contents and arguments presented  
d. Style  
e. References and Citations

(Give students guidance as to the criteria used to assess them)

Task 2: Seminar/Presentation

Due date: 2 weeks after presentation  
Weighting: 25%  
Length: 3000 words for the written paper

Group Seminar/Case Study - (Presentation/Written paper)

In Week 3 of the Session, students will be asked to form groups. Each group will include 2 or 3 members. Each group will be assigned a topic/case study, which the group will be required to present in the class. The presenters will also be required to give a written submission of the seminar/case study, which should be of 3000 words in an academically acceptable form and include a list of references. Student should be able to demonstrate a broad research base in the area of the seminar topic with additional readings. Written submission of the seminar should be given to the lecturer within two weeks after the presentation.

Assessment Criteria/Marking Guidelines

The marks for the seminar presentation will include both the presentation and the written submission for the seminars.
<table>
<thead>
<tr>
<th>Task 3:</th>
<th>Examination</th>
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</thead>
<tbody>
<tr>
<td>Date:</td>
<td>University examination period</td>
</tr>
<tr>
<td>Weighting:</td>
<td>50%</td>
</tr>
<tr>
<td>Length:</td>
<td>3 hours 15 minutes</td>
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<tr>
<td>Examination details:</td>
<td>TBA</td>
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Submission Requirements

Submission

Place of Submission: Class/lecture

Assignment cover: You must complete and attach a School of Accounting and Finance Assessment Cover Sheet to the front of your assignment (available at the following web address: http://www.uow.edu.au/commerce/accy/resources/index.htm)

Collection: Lecture

Acknowledgment/Plagiarism

Plagiarism is not acceptable and may result in the imposition of severe penalties. The University provides clear guidelines on its attitude towards plagiarism and how to avoid unintentional plagiarism in the Postgraduate University Calendar, located on the web at http://www.uow.edu.au/handbook/courserules/plagiarism.html

Students are advised to read these carefully. If any doubts remain as to what constitutes plagiarism, students should discuss the matter with the subject co-ordinator

Due Date

The due date is the last date for the University to receive an assignment. The date of submission by post for distance students will be the postmark date stamped on the assignment envelope.

Extensions

Extensions may be granted if circumstances beyond the control of the student interfere with their ability to complete the task on time. These will only be granted by the subject co-ordinator and must be applied for before the due date. Please Note: Extensions will not be granted after the due date.

Disclaimer

The School attempts to ensure that the information herein is up to date at the time of