ACCY 955 INTERNATIONAL BANKING
Spring Session 2002

Subject Programme:

Subject Coordinator and Lecturer: Dr. Shyam Bhati
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Lecture time: Wednesday, 10.30 to 12.30 Hrs.
Location: Room 67.302

The consultation time will be advised during the lecture in first week.

Subject Objectives

International banking focuses on the study of various issues involved in the international operations of banks. In particular, the theory and practice of banks in the area of their global operations will be comprehensively discussed.

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.

**Prescribed Text:**

Book of Readings "ACCY 955, International Banking", School of Accounting and Finance, University of Wollongong, Wollongong.

**Additional Text**


**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
- Australian Institute of Banking and Finance: http://www.aibf.com.au
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<th>Week Beginning</th>
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<td>1.</td>
<td>22/7/02</td>
<td>Introduction</td>
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<td>2.</td>
<td>29/7/02</td>
<td>International monetary systems</td>
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<td>3.</td>
<td>05/08/02</td>
<td>International banking services</td>
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<td>4.</td>
<td>12/08/02</td>
<td>Foreign exchange markets</td>
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<td>Eurocurrency markets</td>
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<td>5.</td>
<td>19/08/02</td>
<td>Payment and settlement systems</td>
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<td>6.</td>
<td>26/08/02</td>
<td>Methods of payment in international trade</td>
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<td>7.</td>
<td>02/09/02</td>
<td>International Lending – principles &amp; practice</td>
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<td>8.</td>
<td>09/09/02</td>
<td>Loan syndication</td>
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<td>9.</td>
<td>16/09/02</td>
<td>Country risk analysis</td>
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Essay due on 18/09/02

Two weeks recess from 23/09/02 to 6/10/02

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<td>07/10/02</td>
<td>Project Finance &amp; Institutional Framework</td>
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<td>11.</td>
<td>14/10/02</td>
<td>Regulatory issues in international banking</td>
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<td>12.</td>
<td>21/10/02</td>
<td>Strategic and organisational issues</td>
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<td>13.</td>
<td>28/10/02</td>
<td>New developments in international banking.</td>
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*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
Method of Assessment

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 5%
   d. Final examination 50%

   **100%**

Essay: The due date for the submission of essay is **18/09/02**. The essay topic is

"There is nothing new about bank failures. The past is littered with failed institutions and the future will be marked with new financial crashes, some involving banks, both local and international." (Jane B Hughes and Scott B MacDonald, Addison Wesley, 2002, Ch. 9, P. 230)

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

- What are the leading indicators of bank crises?
- Which countries are more susceptible to bank crises? Developed or developing?
- What is the role of International Monetary Fund in preventing or managing banking crises?
- What steps can be taken by the regulators, the governments or the bank management to prevent banking crises?

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
   a. Late submission
   b. No synopsis
   c. No references
   d. Failure to refer to press and/or journals

6. 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

**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. The marks for the seminar presentation will include both the presentation and the written submission for the seminars.

Plagiarised essays, which include copying of the work of another student, will attract penalties (Refer: The University of Wollongong Postgraduate Acknowledgement Practice, pp 54 - 56 in the 1999 University Calendar)

The cover page of the essay should contain the following declaration

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I have read and adopted The University of Wollongong Postgraduate Acknowledgement Practice pp. 54 - 56 in the 1999 University Calendar.

Signed……………………………………Date………………………………………
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**Class participation**

Marks for class participation will be based on the following
1. Attendance in at least 90% of the lectures.
2. Active participation in class discussions.

Special consideration

Refer to the University of Wollongong 1999 Postgraduate calendar on Supplementary Exams and Special considerations, pp. 42 - 44.

Disability

If a student with a disability requires special consideration in this subject, they are strongly advised to discuss the issue with one of the following persons: The Disability Liaison Officer, Faculty Disability Adviser and/or the Subject Coordinator.

NOTE: This subject carries 6 credit points. The University has determined that each credit point translates into work of at least 2 hours per week that excludes class attendance.