



AFIN8003

Banking and Financial Intermediation

Session 1, In person-scheduled-weekday, North Ryde 2025

Department of Applied Finance

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General Information

Unit convenor and teaching staff

Lecturer in Finance

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Credit points

10

Prerequisites

(Admission to MActPrac or MFin or GradCertResBus or GradDipResBus) or (ACST6003 or ECON6049)

Corequisites

Co-badged status

Unit description

This unit applies finance theory to the context of operational decision-making and risk management in banking and financial intermediation. The major decision areas for banking management are covered within a regulatory and corporate responsibility framework. Major risks of banks and financial intermediation are being examined.

Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

Learning Outcomes

On successful completion of this unit, you will be able to:

ULO1: Analyse the unique services financial institutions offer to households and firms.

ULO2: Explain how banks are regulated and why their risk-taking activities are subject to regulatory oversight.

ULO3: Apply advanced technical tools to evaluate and manage the risks that banks face.

ULO4: Working collaboratively to effectively manage evolving financial landscapes in banking.

General Assessment Information

Late Assessment Submission Penalty (written assessments)

Unless a Special Consideration request has been submitted and approved, a 5% penalty (of the total possible mark) will be applied each day a written assessment is not submitted, up until the 7th day (including weekends). After the 7th day, a grade of '0' will be awarded even if the assessment is submitted. Submission time for all written assessments is set at 11.55pm. A 1-hour grace period is provided to students who experience a technical concern. For any late submissions of time-sensitive tasks, such as scheduled tests/exams, performance assessments/presentations, and/or scheduled practical assessments/labs, students need to apply for [Special Consideration](#).

Assessment Tasks

Name	Weighting	Hurdle	Due
Individual Assignment	30%	No	Week 8
Group Project	30%	No	Week 12
Final Examination	40%	No	University Examination Period

Individual Assignment

Assessment Type [1](#): Case study/analysis

Indicative Time on Task [2](#): 20 hours

Due: **Week 8**

Weighting: **30%**

Students will analyse a scenario or problem in banking and financial intermediation.

On successful completion you will be able to:

- Analyse the unique services financial institutions offer to households and firms.
- Explain how banks are regulated and why their risk-taking activities are subject to regulatory oversight.
- Apply advanced technical tools to evaluate and manage the risks that banks face.

Group Project

Assessment Type [1](#): Report

Indicative Time on Task [2](#): 20 hours

Due: **Week 12**

Weighting: **30%**

In groups, students will be required to conduct analysis of industry based issues in banking and financial intermediation and produce a business report.

On successful completion you will be able to:

- Analyse the unique services financial institutions offer to households and firms.
- Explain how banks are regulated and why their risk-taking activities are subject to regulatory oversight.
- Apply advanced technical tools to evaluate and manage the risks that banks face.
- Working collaboratively to effectively manage evolving financial landscapes in banking.

Final Examination

Assessment Type ¹: Examination

Indicative Time on Task ²: 25 hours

Due: **University Examination Period**

Weighting: **40%**

A two hour exam will be held during the University Examination Period.

On successful completion you will be able to:

- Analyse the unique services financial institutions offer to households and firms.
- Explain how banks are regulated and why their risk-taking activities are subject to regulatory oversight.
- Apply advanced technical tools to evaluate and manage the risks that banks face.

¹ If you need help with your assignment, please contact:

- the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
- the [Writing Centre](#) for academic skills support.

² Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation

Delivery and Resources

Required technology: Non-programmable calculator.

Learning and Teaching Strategy

Each week, classes will typically consist of a two-hour lecture followed by a one-hour workshop. Lectures will provide a structured overview of the topic, demonstrating its relevance to the overall unit objectives and establishing key theoretical principles.

Workshops will serve as an interactive forum to reinforce learning. In addition to applying concepts through problem-solving exercises, workshops will incorporate practical demonstrations. This hands-on approach will allow students to see theoretical concepts in action, deepening their understanding of financial principles in real-world scenarios. Active participation is strongly encouraged, as workshops provide an opportunity to assess progress toward achieving the unit's learning outcomes.

Textbook and Learning Materials

The prescribed textbook for this unit is:

- Saunders, A., Cornett, M. M., & Erhemjamt, O. (2023). *Financial Institutions Management ISE* (11th ed.). McGraw Hill.

Textbook material will be supplemented by relevant articles and handouts. Students are expected to read the assigned chapters and articles before attending the corresponding lecture. Homework problems will be assigned at the end of each lecture and should be completed prior to the following week's workshop.

All handouts, homework questions and solutions, and supplementary materials will be available for download on the unit's **iLearn** site on a weekly basis.

Online learning: iLearn (<https://ilearn.mq.edu.au>) provides the main online learning support. It is essential that you log in at least twice per week to keep abreast of unit-wide announcements and use the resources to supplement your learning. Lecture slides are available online beforehand for you to download from iLearn.

Unit Schedule

Week	Scheduled Topic
1	Introduction to banking and financial intermediation
2	Risks and regulation
3	Capital management and adequacy
4	Interest rate risk
5	Market risk
6	Credit risk I: individual loan risk

7	Credit risk II: loan portfolio and concentration risk
8	Liquidity risk
9	Liability and liquidity management
10	Sovereign risk, foreign exchange risk, and off-balance-sheet risk
11	Loan sales and securitisation
12	Emerging topics in bank risk management
13	Review

- An industry practitioner will be invited to deliver a guest lecture, providing students with valuable insights into real-world applications of financial concepts and industry best practices. This session will offer an opportunity to engage with a seasoned professional and gain practical perspectives that complement the theoretical foundations of the course. The exact timing of this session will be announced on iLearn.

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](https://policies.mq.edu.au) (<https://policies.mq.edu.au>). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)
- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Assessment Procedure](#)
- [Complaints Resolution Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#)

Students seeking more policy resources can visit [Student Policies](https://students.mq.edu.au/support/study/policies) (<https://students.mq.edu.au/support/study/policies>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

To find other policies relating to Teaching and Learning, visit [Policy Central](https://policies.mq.edu.au) (<https://policies.mq.edu.au>) and use the [search tool](#).

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: <https://students.mq.edu.au/admin/other-resources/student-conduct>

Results

Results published on platform other than [eStudent](#), (eg. iLearn, Coursera etc.) or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit connect.mq.edu.au or if you are a Global MBA student contact globalmba.support@mq.edu.au

Academic Integrity

At Macquarie, we believe [academic integrity](#) – honesty, respect, trust, responsibility, fairness and courage – is at the core of learning, teaching and research. We recognise that meeting the expectations required to complete your assessments can be challenging. So, we offer you a range of resources and services to help you reach your potential, including free [online writing and maths support](#), [academic skills development](#) and [wellbeing consultations](#).

Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

Academic Success

[Academic Success](#) provides resources to develop your English language proficiency, academic writing, and communication skills.

- [Workshops](#)
- [Chat with a WriteWISE peer writing leader](#)
- [Access StudyWISE](#)
- [Upload an assignment to Studiosity](#)
- [Complete the Academic Integrity Module](#)

The Library provides online and face to face support to help you find and use relevant information resources.

- [Subject and Research Guides](#)
- [Ask a Librarian](#)

Student Services and Support

Macquarie University offers a range of [Student Support Services](#) including:

- [IT Support](#)
- [Accessibility and disability support](#) with study
- Mental health [support](#)
- [Safety support](#) to respond to bullying, harassment, sexual harassment and sexual assault

- [Social support including information about finances, tenancy and legal issues](#)
- [Student Advocacy](#) provides independent advice on MQ policies, procedures, and processes

Student Enquiries

Got a question? Ask us via the [Service Connect Portal](#), or contact [Service Connect](#).

IT Help

For help with University computer systems and technology, visit http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/.

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources Policy](#). The policy applies to all who connect to the MQ network including students.

Changes from Previous Offering

- Unit learning outcomes have been updated.
- Assessment tasks have been updated. The previous offering included a mid-term exam (20%), an individual report (30%), and a final exam (50%). In this offering, assessments include an individual assignment (30%), a group project (30%), and a final exam (40%).
- Unit schedule has been updated. Due to the removal of mid-term exam, the final week now contains a review session for the course.
- Workshops now additionally include practical demonstrations using digital technologies.

Unit information based on version 2025.02 of the [Handbook](#)