AFIN8003

Banking and Financial Intermediation

Session 2, In person-scheduled-weekday, North Ryde 2026

Department of Applied Finance

Contents

General Information

Unit convenor and teaching staff Lecturer Mingze Gao mingze.gao@mq.edu.au Contact via Email Room 549, 4 Eastern Road Thursday 9-10am
Credit points 10
Prerequisites (Admission to MActPrac or MFin or GradCertResMQBS or GradDipResMQBS) 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 Submission Penalties

If you submit your assessment late, 5% of the total possible marks will be deducted for each day (including weekends), up to 7 days. Submissions more than 7 days late will receive a mark of 0.

- **Example 1 (out of 100):**
- If you score 85/100 but submit **20 hours late**, you will lose **5 marks** and receive **80/100**.
- **Example 2 (out of 30):**
- If you score 27/30 but submit **20 hours late**, you will lose **1.5 marks** and receive **25.5/30**.

Extensions

Automatic short extension: Some assessments are eligible for automatic short extension. You can only apply for an automatic short extension before the due date.

Special Consideration: If you need more time due to serious issues and for any assessments that are not eligible for Short Extension, you must apply for Special Consideration. Need help? Review the Special Consideration page for further details.

Assessment Tasks

Name	Weighting	Hurdle	Due	Groupwork/Individual	Short Extension	AI Approach
Skills development: Banking and financial intermediation analysis	30%	No	11/09/2026	Individual	Yes	Open AI
Professional practice: Industry current issues	30%	No	30/10/2026	Group	No	Open AI
Formal examination	40%	No	Exam Period	Individual	No	Observed

Skills development: Banking and financial intermediation analysis

Assessment Type [1]: Problem-based task
Indicative Time on Task [2]: 15 hours
Due: **11/09/2026**
Weighting: **30%**
Groupwork/Individual: Individual
Short extension [3]: Yes
AI Approach: Open AI

The purpose of this assessment is for you to develop expertise in analysing the interest rate risk and market risk of a bank.

You will apply frameworks and concepts discussed in the unit to a banking and financial intermediation case study.

Skills in focus:

- Critical thinking and problem solving
- Discipline knowledge
- Digital skills
- Communication skills

Deliverable(s): Spreadsheet analysis Individual assessment

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.

Professional practice: Industry current issues

Assessment Type [1]: Professional task
Indicative Time on Task [2]: 15 hours
Due: **30/10/2026**
Weighting: **30%**
Groupwork/Individual: Group
Short extension [3]: No
AI Approach: Open AI

The purpose of this assessment is for you to develop expertise in current issues in banking and financial intermediation.

You will apply frameworks and concepts discussed in the unit to produce a business report.

Skills in focus:

- Collaboration and communication
- Critical thinking and problem solving
- Work readiness
- Discipline knowledge
- Digital skills

Deliverable(s): Written submission [max 2,500 words] Group assessment

On successful completion you will be able to:

- Analyse the unique services financial institutions offer to households and firms.
- Apply advanced technical tools to evaluate and manage the risks that banks face.
- Working collaboratively to effectively manage evolving financial landscapes in banking.

Formal examination

Assessment Type [1]: Examination
Indicative Time on Task [2]: 35 hours
Due: **Exam Period**
Weighting: **40%**
Groupwork/Individual: Individual
Short extension [3]: No
AI Approach: Observed

The purpose of this assessment is for you to demonstrate the expertise you have gained in this unit.

You will participate in a 2-hour exam held during the University Examination period. Important information about the exam will be made available on the unit iLearn page. You should also review the MQ Exams website for general tips:

Deliverable(s): Formal exam Individual assessment

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.

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[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
- Academic Success 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.

[3] An automatic short extension is available for some assessments. Apply through the Service Connect Portal.

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., & Erhemjamts, 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 may 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 students log in at least twice per week to keep abreast of unit-wide announcements and use the resources to supplement learning.

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

Policies and Procedures

Macquarie University policies and procedures are accessible from Policy Central (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). 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) 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.

- Ask a Study Coach
- 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 https://students.mq.edu.au/support/technology/service-desk.

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.

Unit information based on version 2026.05 of the Handbook