AFIN803
Banking and Financial Intermediation
S1 Evening 2017
Dept of Applied Finance and Actuarial Studies

Contents

General Information .................................................. 2
Learning Outcomes ..................................................... 2
General Assessment Information ................................. 3
Assessment Tasks ....................................................... 3
Delivery and Resources ............................................. 6
Policies and Procedures .............................................. 7
Graduate Capabilities ............................................... 9

Disclaimer
Macquarie University has taken all reasonable measures to ensure the information in this publication is accurate and up-to-date. However, the information may change or become out-dated as a result of change in University policies, procedures or rules. The University reserves the right to make changes to any information in this publication without notice. Users of this publication are advised to check the website version of this publication [or the relevant faculty or department] before acting on any information in this publication.

https://unitguides.mq.edu.au/unit_offerings/80338/unit_guide/print
General Information

Unit convenor and teaching staff
Convenor
Kim Hawtrey
kim.hawtrey@mq.edu.au
Refer to iLearn

Angela Chow
angela.chow@mq.edu.au

Credit points
4

Prerequisites
ACST603 or ECON649

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. The major global financial risks of financial intermediation considered are interest rate risk, credit risk, liquidity risk, foreign exchange risk and market risk.

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:

  Be able to explain and use the techniques of financial management to analyse the performance of bank and non-bank financial institutions.
  Be able to apply analytical skills to the interpretation of risks confronted by financial institutions.
  Be able to apply relevant techniques to measure and manage those risks.
  Be able to determine and critically evaluate the implications of strategic decisions for the
profitability, liquidity, balance sheet structure and capital adequacy of financial institutions.

**General Assessment Information**

It is the responsibility of students to view their marks for each within session assessment on iLearn within 20 working days of posting. If there are any discrepancies, students must contact the unit convenor immediately. Failure to do so will mean that queries received after the release of final results regarding assessment marks (not including the final exam mark) will not be addressed.

Assessment criteria for all assessment tasks will be provided on the unit iLearn site.

**Assessment Tasks**

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essay</td>
<td>20%</td>
<td>Yes</td>
<td>16 March 2017</td>
</tr>
<tr>
<td>Mid semester test</td>
<td>20%</td>
<td>Yes</td>
<td>6 April 2017</td>
</tr>
<tr>
<td>In-class group presentation</td>
<td>10%</td>
<td>Yes</td>
<td>25 May 2017</td>
</tr>
<tr>
<td>Final exam</td>
<td>50%</td>
<td>Yes</td>
<td>Final exam period</td>
</tr>
</tbody>
</table>

**Essay**

Due: **16 March 2017**

Weighting: **20%**

*This is a hurdle assessment task (see [assessment policy](https://unitguides.mq.edu.au/unit_offers/80338/unit_guide/print) for more information on hurdle assessment tasks)*

Essay

Due: **16 March 2017 (6-9pm)**

Weighting: **20%**

In-class hand-written essay

No extensions will be granted. There will be a deduction of 10% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 20% penalty). This penalty does not apply for cases in which an application for disruption of studies is made and approved. No submission will be accepted after solutions have been posted.

Please use this assessment as an indicator of whether you are progressing satisfactorily in the unit. If you are having difficulties, please see the Unit Convenor and consider withdrawing before the census date on Friday of week 4.
This Assessment Task relates to the following Learning Outcomes:

- Be able to apply analytical skills to the interpretation of risks confronted by financial institutions
- Be able to determine and critically evaluate the implications of strategic decisions for the profitability, liquidity, balance sheet structure and capital adequacy of financial institutions

On successful completion you will be able to:

- Be able to explain and use the techniques of financial management to analyse the performance of bank and non-bank financial institutions.
- Be able to apply analytical skills to the interpretation of risks confronted by financial institutions.

**Mid semester test**

**Due: 6 April 2017**

**Weighting: 20%**

*This is a hurdle assessment task (see assessment policy for more information on hurdle assessment tasks)*

Mid semester test

**Due: 6 April 2017 (6-8pm)**

**Duration: 2 hours**

**Weighting: 20%**

Multiple choice test

No extensions will be granted. There will be a deduction of 10% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 20% penalty). This penalty does not apply for cases in which an application for disruption of studies is made and approved. No submission will be accepted after solutions have been posted.

This Assessment Task relates to the following Learning Outcomes:

- Be able to explain and use the techniques of financial management to analyse the performance of bank and non-bank financial institutions.
- Be able to apply analytical skills to the interpretation of risks confronted by financial institutions.
- Be able to apply relevant techniques to measure and manage those risks
On successful completion you will be able to:

- Be able to explain and use the techniques of financial management to analyse the performance of bank and non-bank financial institutions.
- Be able to apply analytical skills to the interpretation of risks confronted by financial institutions.
- Be able to apply relevant techniques to measure and manage those risks.

**In-class group presentation**

Due: **25 May 2017**
Weighting: **10%**

This is a hurdle assessment task (see [assessment policy](#) for more information on hurdle assessment tasks)

Due: **25 May 2017 (6-9pm)**
Weighting: **10%**

No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for disruptions to studies is made and approved.

Group work learning outcome: Students will be able to explain and critically evaluate the assigned section of selected material from Lange & Saunders chapter 18.

This Assessment Task relates to the following Learning Outcomes:

- Be able to determine and critically evaluate the implications of strategic decisions for the profitability, liquidity, balance sheet structure and capital adequacy of financial institutions

On successful completion you will be able to:

- Be able to determine and critically evaluate the implications of strategic decisions for the profitability, liquidity, balance sheet structure and capital adequacy of financial institutions.

**Final exam**

Due: **Final exam period**
Weighting: **50%**

This is a hurdle assessment task (see [assessment policy](#) for more information on hurdle assessment tasks)

Due: **Final exam period**
Weighting: **50%**

**Duration:** **2 hours**

Final (closed book) exam comprising multiple choice and essay style questions.

This Assessment Task relates to the following Learning Outcomes:

- Be able to explain and use the techniques of financial management to analyse the performance of bank and non-bank financial institutions
- Be able to apply analytical skills to the interpretation of risks confronted by financial institutions
- Be able to apply relevant techniques to measure and manage those risks
- Be able to determine and critically evaluate the implications of strategic decisions for the profitability, liquidity, balance sheet structure and capital adequacy of financial institutions

On successful completion you will be able to:

- Be able to apply analytical skills to the interpretation of risks confronted by financial institutions.
- Be able to apply relevant techniques to measure and manage those risks.
- Be able to determine and critically evaluate the implications of strategic decisions for the profitability, liquidity, balance sheet structure and capital adequacy of financial institutions.

**Delivery and Resources**

**AFIN803 - Banking and Financial Intermediation**

**UNIT OVERVIEW**

Banking and finance institutions today have evolved into complex organisms that play a centrally important role in the modern economy. The management of financial corporations is a highly specialised task with many unique aspects. And the success (or failure) of banks carries the potential for significant ramifications in the markets for goods, services and labour across the wider macroeconomy.

This course: * outlines the structure of the Australian finance industry * studies the nature of the banking system and the issues it raises * analyses the risks of banking and how to manage them effectively * examines banking theory, especially performance and productivity * examines the role financial institutions can play in a country’s development * puts these in the context of official supervision and surveillance

The course is designed to equip those who will work in banking, securities or government. The
Policies and Procedures

Macquarie University policies and procedures are accessible from Policy Central. Students should be aware of the following policies in particular with regard to Learning and Teaching:

Academic Honesty Policy http://mq.edu.au/policy/docs/academic_honesty/policy.html


In addition, a number of other policies can be found in the Learning and Teaching Category of Policy Central.
Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: https://students.mq.edu.au/support/student_conduct/

Results

Results shown in iLearn, 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 ask.mq.edu.au.

Supplementary exams

Information regarding supplementary exams, including dates, is available at: http://www.businessandeconomics.mq.edu.au/current_students/undergraduate/how_do_i/special_consideration

Student Support

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

Learning Skills

Learning Skills (mq.edu.au/learningskills) provides academic writing resources and study strategies to improve your marks and take control of your study.

- Workshops
- StudyWise
- Academic Integrity Module for Students
- Ask a Learning Adviser

Student Services and Support

Students with a disability are encouraged to contact the Disability Service who can provide appropriate help with any issues that arise during their studies.

Student Enquiries

For all student enquiries, visit Student Connect at ask.mq.edu.au

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.
Graduate Capabilities

PG - Discipline Knowledge and Skills

Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

Learning outcomes

• Be able to explain and use the techniques of financial management to analyse the performance of bank and non-bank financial institutions.
• Be able to apply analytical skills to the interpretation of risks confronted by financial institutions.
• Be able to apply relevant techniques to measure and manage those risks.

Assessment tasks

• Essay
• Mid semester test
• Final exam

PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

Learning outcomes

• Be able to explain and use the techniques of financial management to analyse the performance of bank and non-bank financial institutions.
• Be able to apply analytical skills to the interpretation of risks confronted by financial institutions.
• Be able to apply relevant techniques to measure and manage those risks.

Assessment tasks

• Essay
• Mid semester test
• Final exam
PG - Effective Communication

Our postgraduates will be able to communicate effectively and convey their views to different social, cultural, and professional audiences. They will be able to use a variety of technologically supported media to communicate with empathy using a range of written, spoken or visual formats.

This graduate capability is supported by:

**Learning outcome**

- Be able to determine and critically evaluate the implications of strategic decisions for the profitability, liquidity, balance sheet structure and capital adequacy of financial institutions.

**Assessment task**

- In-class group presentation