



APPLIES TO ACADEMIC YEAR 2012/2013

## **BØK 2500 Commercial Bank Financial Management - RE-SIT EXAMINATION**

### **Programme**

Re-sit examination

### **Responsible for the course**

Emanuel Blattner

### **Department**

Department of Accounting - Auditing and Law

### **Term**

According to study plan

### **ECTS Credits**

6

### **Language of instruction**

Norwegian

### **Introduction**

### **Objective**

The objective of the course is to provide the students with knowledge about how financial institutions can use their duration gap as an overall measurement of the bank's interest rate risk and to immunize the market value of equity for the institution. The immunization can be done by using on-balance and/or off-balance tools as future contracts, interest rate swaps and interest rate options. The course also aims at giving the student increased competence to solve asset- and liability management problems by using cases and a banking simulation.

### **Prerequisites**

Knowledge equivalent to the 2nd year of the Bachelor of Business Administration Program in Finance.

### **Compulsory reading**

#### **Books:**

Saunders, Anthony, Marcia Millon Cornett. 2008. Financial institutions management : a risk management approach. 6th ed. London : McGraw-Hill/Irwin. Kap: 1,2,7,9,10,13,18,24,25,26

#### **Other:**

Utdelt materiale

### **Recommended reading**

#### **Books:**

Gardner, Mona J., Dixie L. Milles, Elizabeth S. Cooperman. 2005. Managing financial institutions. 5th ed. Mason, Ohio : Thomson/South-Western

### **Course outline**

1. Overview of banking and the financial-service industry
2. Sources and uses of bank fund and the risk of banking
3. Accounting and economic models of banking performance and valuation
4. Asset-liability management and the interest rate risk
5. Profit planning and budgeting
6. "Banking game" simulation

### **Computer-based tools**

Excel spreadsheets and "Banking Game" simulation

### **Course structure**

The course will include lectures, case studies and banking simulating, 36 teaching hours in all.

The students are required to solve to mandatory home assignment during the course.

The home assignments must be solved by groups of two or less students and must be passed to obtain a final grade in the course. The home assignments must be solved within 14 days.

**Examination**

The grade is based on the successful completion of the home assignments, which are graded pass/fail, and a four hour individual exam.

**Examination code(s)**

- BØK 25002 Mandatory Home Assignment 1. Pass/fail.
- BØK 25003 Mandatory Home Assignment 2. Pass/fail.
- BØK25004 Written exam, counts 100% to obtain final grade in BØK 2500, Commercial Bank Financial Management, 6 credits.

Both home assignments and written exam must be passed.

**Examination support materials**

All aids are allowed + calculator TEXAS INSTRUMENTS BA II Plus™.

Exam aids at written examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary.

<http://www.bi.edu/studenthandbook/examaids>

**Re-sit examination**

This course was lectured for the last time autumn 2010. Re-sit exam will be offered every term from autumn 2011 up to even spring 2013.

**Additional information**