SFU 1492 Commercial Bank Financial Management - RE-SIT EXAMINIATION

Programme
Bachelor of Banking and Finance (SF)

Responsible for the course
Emanuel Blattner

Department
Department of Accounting - Auditing and Law

Term
According to study plan

ECTS Credits
7,5

Language of instruction
Norwegian

Introduction

Learning outcome
Acquired knowledge
After taking the course, the students shall be able to explain key concepts and give an account of the tools used in asset and liability management, statement of income and cash flow analysis, the use of derivates in asset an liability management.

Examples of concepts that students shall be able to explain: balance sheet, statement of icnome and cash flow in financial institutions, the term structure of interest rates, repricing gap, duration gap, duration of equity, futures and forwards, interest rate swaps, interest rate options.

Acquired skills
After taking the course, the students shall be able to (a) apply knowledge (i.e. concepts and skills) in analyses and discussions on asset and liablility problems, (b) distinguish between relevant and irrelevant information, and (c) give written answers to questions so that the readers understand the applied methods and conclusions. Examples:
• Analyzing financial reports of financial institutions
• Risk in financial institutions
• Thes use of the term structure of interest rates in asset an liablility management
• The calculation of the repricing gap
• Duration gap calculations
• Equity duration
• The use of on-balance immunizing in asset and liablility management
• The use of derviates in off-balance immunizing

Reflection
After taking the course, the students shall be able to ask critical questions and reflect on crucial assumptions and theories within the asset an liablility managementt field.

Prerequisites
Basic knowledges in finance are required.

Compulsory reading
Books:
Saunders, Anthony, Marcia Millon Cornett. 2011. Financial institutions management : a risk management approach. 7th ed. McGraw-Hill/Irwin. Ny utgave kommer ca oktober 2013

Recommended reading
Books:
Hubbard, R. Glenn & Anthony P. O`Brien. 2013. Money, banking, and the financial system. 2nd ed. Pearson

Course outline
• Balance, statement of income and cash-flow analysis
• The term structure of interest rates

- Fixed interest securities and effective interest
- Interest rate risk and the repricing gap theory
- Duration
- Interest rate risk and the duration gap theory
- "On-balance" immunizing
- "Off-balance" immunizing

Computer-based tools
Excel spreadsheets.

Learning process and workload
The course is lectured over one semester and will include lectures, case studies and home assignments.

It is mandatory for students to solve and pass three home assignments to obtain final grade in the course.

The home assignments must be solved by groups of three or less students. Exact deadlines for handout and delivery of home assignments will be given when the course starts.

Recommended use of hours:

Activity	Use of hours
Lectures	28
Assignments	65
Reading literature	104
Final exam	3
Total use of hours recommended	**200**

Use of hours
28 hours - Lectures
17 hours - Guidance
45 hours total

Examination
A three hour individual written exam concludes the course.

Examination code(s)
SFU 14925 Written exam, counts 100% to obtain a final grade in SFU 1492 Commercial Bank Financial Management, 7,5 credits.

Examination support materials
Calculator TEXAS INSTRUMENTS BA II Plus™ is allowed.
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 spring term 2011. Last re-sit examiniation is offered auttumn 2013.
To attend re-sit examiniations it is required that the three assignments included in the course are passed.

Additional information