

**Information on a Course**  
**offered by Department of Economics and Finance**  
**with effect from Semester A in 2013 / 2014**

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**Part I**

**Course Title:** Bank Management in the Global Market

**Course Code:** EF5341

**Course Duration:** 1 semester

**Credit Units:** 3

**Level:** P5

**Medium of Instruction:** English

**Prerequisites:** Nil

**Precursors:** EF5042 Corporate Finance, EF5052 Investments

**Equivalent Courses:** From the old curriculum: EF5362 International Banking

**Exclusive Courses:** Nil

**Part II**

**Course Aims**

The course aims at helping students acquire the knowledge in developing a bank's strategy in its quest for business opportunities across borders and addressing issues faced by bank managements in cross border operations.

There will be special emphasis on issues related to Bank Management in Greater China region, so as to prepare students for a professional life in that particular context.

The second part of the course examines contemporary issues affecting bank risk management in the international context. Important issues are country and sovereign risks, as well as bank counterparty risk, including the regulatory environment under which banks operate in other jurisdictions.

Through direct analysis of current issues –recent examples are the sub-prime crisis and the European debt crisis-, students can develop skills at gauging overall risks associated

with international banking activities. Students should learn how to identify and evaluate those fast changing risks and to adapt and innovate in the face of the challenges such changes raise.

Students are given an opportunity to prepare a special report on a specific topic in a particular country or in a particular group of countries in order to apply to real life issues the theoretical concepts developed in the course. The assignments are presented and debated with the other students. Examples of topics in recent years are: bank valuation across borders, long-term trends in bank liquidity management, sovereign debt assets etc...

**Course Intended Learning Outcomes (CILOs)**

*Upon successful completion of this course, students should be able to:*

No.	CILOs	Weighting (if applicable)
1.	comprehend the operations and decisions of financial institutions in a global context especially in Greater China	12.5%
2.	comprehend cross border financial activities (like project finance, loan syndication, etc.)	25%
3.	identify the regulatory constraints and risk associated with international banking, including the impact of sovereign, financial, currency and banking crises	25%
4.	Evaluate bank products and its potential in the Greater China market	12.5%
5.	identify and evaluate the critical elements to be the financial center in China	12.5%
6.	recommend course of action for global and local banks to carry out its strategy in Greater China, and for international operations in general	12.5%

**Teaching and Learning Activities (TLAs)**

*(Indicative of likely activities and tasks designed to facilitate students' achievement of the CILOs. Final details will be provided to students in their first week of attendance in this course)*

CILO No.	TLAs	Hours/week (if applicable)
1-6	Lecture, in-class discussion, project	

### Assessment Tasks/Activities

(Indicative of likely activities and tasks designed to assess how well the students achieve the CILOs. Final details will be provided to students in their first week of attendance in this course)

CILO No.	Type of Assessment Tasks/Activities	Weighting (if applicable)	Remarks
1-6	Exam, project, class participation		

### Assessment Methods

CILO No	Coursework	Final Exam	Total
1-6	75%	25% (one 3-hour exam)	100%

*Students are required to pass both coursework and examination components in order to pass the course.*

### Grading of Student Achievement:

Refer to Grading of Courses in the Academic Regulations for Taught Postgraduate Degrees.

Letter Grade	Grade Point	Grade Definitions	
A+ A A-	4.3 4.0 3.7	Excellent:	Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.
B+ B B-	3.3 3.0 2.7	Good:	Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.
C+ C C-	2.3 2.0 1.7	Adequate:	Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material.
D	1.0	Marginal:	Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.
F	0.0	Failure:	Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant use of literature.

## **Part III**

### **Keyword Syllabus**

International Capital Markets  
Risk Management of Banks  
Strategies of Financial Institutions  
Cross border Project Finance  
Macro-economic Trend Affecting International Banking  
Sovereign, currency, financial, banking crises  
Crisis Resolution  
Counterparty Risk  
Financial center  
Multinational banks  
Credit/marketing strategy  
Short-term and syndication loans  
Capital market, derivatives and investment banks  
Bank practices  
Great China

### **Recommended Reading**

#### **Text(s)**

Students are expected to be well versed of current banking practices by reading the relevant books, journals, magazines, and newspapers on a regular basis. There is no single required textbook as it is not possible to find such a book in reference to Great China. On bank risk management as well as on financial crises, a lot of information is available from internet. The following are recommended readings:

- 1) Banking in Asia (Latest edition)  
Authors: Bowers, Gibbs, Wong  
Publisher: Wesley (Chapters 5, 6 & 7)
- 2) Financial Markets + Institutions 4<sup>th</sup> edition  
Authors: Frederic S. Mishkin and Stanley G. Eakins  
Publisher: Addison-Wesley
- 3) 廿年目睹金融怪現象  
Author: 張建雄  
Publisher: 三聯
- 4) *Modern Banking*. Chichester: John Wiley & Sons. Heffernan S. (2005).

- 5) *Banking in Asia*. Singapore: John Wiley & Sons. Bowers T., Gibb G. & Wong J. (2003).
- 6) *Project Financing*. New York: John Wiley & Sons. Finnerty J. (1996).
- 7) *International Banking*. Boston: Addison Wesley. Hughes J. & MacDonald S. (2002).
- 8) *Financial Intermediation in the 21<sup>st</sup> Century*. New York: Palgrave. Mikdashi Z. (2001).
- 9) *Asia in Crisis – the Implosion of the Banking and Finance Systems*. Singapore: John Wiley & Sons. Delhaise Ph.(1998)
- 10) *Bank Credit Analysis Handbook*. Singapore: John Wiley & Sons. Golin J. (2001)
- 11) *Bank Credit Analysis Handbook, 2<sup>nd</sup> Ed*. Singapore: John Wiley & Sons. Golin J. and Delhaise Ph. (2013)
- 12) Lecture notes

**Online Resources**

[www.mastercard.com/us/company/en/wcoc/the\\_index.html](http://www.mastercard.com/us/company/en/wcoc/the_index.html)

[www.hkex.com.hk](http://www.hkex.com.hk)

[www.citymayors.com/economics/financial-cities.html](http://www.citymayors.com/economics/financial-cities.html)

[www.thebanker.com](http://www.thebanker.com)

[www.bis.org/bcbs](http://www.bis.org/bcbs)

[www.financeconnectsingapore.com](http://www.financeconnectsingapore.com)

[www.cw.com.tw/english/finances.jsp](http://www.cw.com.tw/english/finances.jsp)