

## Subject Description Form

<b>Subject Code</b>	AF4322
<b>Subject Title</b>	MANAGEMENT OF FINANCIAL INSTITUTIONS
<b>Credit Value</b>	3
<b>Level</b>	4
<b>Pre-requisite / Co-requisite/ Exclusion</b>	<b>Pre-requisite:</b> Business Finance (AF3313)
<b>Objectives</b>	This subject contributes to the achievement of the BBA Outcomes by enabling students to analyze the management of assets and liabilities of financial institutions and to critically assess the performance of financial institutions by applying basic financial theories, analyzing financial reports and understanding the operation of financial markets (Outcome 7).
<b>Intended Learning Outcomes</b>	Upon completion of the subject, students will be able to: <ul style="list-style-type: none"> <li>a. critically assess the specialness and the roles of financial institutions;</li> <li>b. evaluate the impact of different regulatory and ethical issues on the management of financial institutions;</li> <li>c. apply appropriate tools to assess financial institutions performance;</li> <li>d. identify the various sources of risks in financial intermediation and the methods for measuring and managing such risks.</li> <li>e. identify and evaluate the different strategies of assets and liabilities management of financial institutions.</li> </ul>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>Specialness and Roles of Financial Institutions</b> Differences between of financial institutions and non-financial firms.</p> <p><b>The Impact of Government Policy and Regulation on Financial Institutions</b> Banking regulation; major banking laws</p> <p><b>Performance Assessment of Financial Institutions</b> Financial statements analysis.</p> <p><b>Risk Measurement &amp; Management</b> Risks of financial intermediation. Risk measurement models. Risk management techniques.</p> <p><b>Managing Sources of Funds for a Financial Firm</b> Managing and pricing deposit services. The management of capital.</p> <p><b>Banking Lending and Credit Risk</b> Lending policies and managing credit risk.</p>

<b>Teaching/Learning Methodology</b>	Lectures will be used to discuss concepts and issues arising in respect of the management of financial institutions. Case studies and / or mini projects will be used in seminars to reinforce students' learning by illustrating that techniques discussed in lectures have application to real-life problems. Students will be asked to analyze and provide solutions to cases / projects which should reflect understanding and ability of applying the knowledge covered in this subject.																																																																					
<b>Assessment Methods in Alignment with Intended Learning Outcomes</b>	<table border="1" data-bbox="456 474 1482 1151"> <thead> <tr> <th rowspan="2">Specific assessment methods/tasks</th> <th rowspan="2">% weighting</th> <th colspan="6">Intended subject learning outcomes to be assessed (Please tick as appropriate)</th> </tr> <tr> <th>a</th> <th>b</th> <th>c</th> <th>d</th> <th>e</th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Team seminar presentation</td> <td>10%</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> </tr> <tr> <td>2. Individual class participation</td> <td>5%</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> </tr> <tr> <td>3. Individual written report</td> <td>15%</td> <td></td> <td></td> <td>√</td> <td>√</td> <td>√</td> <td></td> </tr> <tr> <td>4. Test</td> <td>20%</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td></td> <td></td> </tr> <tr> <td>5. Final Examination</td> <td>50%</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> </tr> <tr> <td>Total</td> <td>100 %</td> <td colspan="6"></td> </tr> </tbody> </table> <p data-bbox="456 1200 1489 1464">Seminar presentation will be a team work and it will test students' attainment of the intended learning outcomes by means of a presentation on an assigned topic. The seminar activities will be supplemented by students' individual participation in discussion of either the presentation topics or the discussion questions. Test and final examination will be individual student's effort and test the students' attainment of the intended learning outcomes under the stress of a closed book test or examination condition whereas individual written assignment will be a take home assignment under a more self control condition.</p> <p data-bbox="456 1482 1489 1545">To pass this subject, students are required to obtain Grade D or above in <b><u>BOTH</u></b> the Continuous Assessment and Examination components.</p>								Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)						a	b	c	d	e		1. Team seminar presentation	10%	√	√	√	√	√		2. Individual class participation	5%	√	√	√	√	√		3. Individual written report	15%			√	√	√		4. Test	20%	√	√	√				5. Final Examination	50%	√	√	√	√	√		Total	100 %						
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**Reading List and  
References**

***Textbooks***

Rose, P.S. and Hudgins, S.C. (2013) *Bank Management & Financial Services*, 9/e, McGraw Hill.

Saunders, A. & Cornett, M.M. (2014) *Financial Institutions Management – a Risk Management approach*, 8/e, McGraw Hill.

***References***

Annual reports of various financial institutions.

Articles from US Federal Reserve, Bank for International Settlement, Hong Kong Monetary Authority, and various newspapers such as Financial Times.