# FIN203 BANKING AND FINANCE T325 BRIEF

All information in the Subject Outline is correct at the time of approval. KOI reserves the right to make changes to the Subject Outline if they become necessary. Any changes require the approval of the KOI Academic Board and will be formally advised to those students who may be affected by email and via Moodle.
Information contained within this Subject Outline applies to students enrolled in the trimester as indicated

## 1. General Information

### 1.1 Administrative Details

| Associated HE Award(s) | Duration | Level | Subject Coordinator |
|---|---|---|---|
| B Bus (Accg); B Bus (Mgt & Finance) | 1 trimester | Level 2 | Atta Adu-Osae<br>atta.aduosae@koi.edu.au<br>P: +61 (2) 9283 3583<br>L: 7-11, 11 York Street<br>Consultation: via Moodle or by appointment. |

### 1.2 Core / Elective

This is a core subject for B Bus (MGT & Finance) and an elective subject for B Bus (ACC)

### 1.3 Subject Weighting

Indicated below is the weighting of this subject and the total course points.

| Subject Credit Points | Total Course Credit Points |
|---|---|
| 4 | BBus (Accg) 96; BBus (Mgt & Finance) 96 |

### 1.4 Student Workload

Indicated below is the expected student workload per week for this subject

| No. timetabled hours/week* | No. personal study hours/week** | Total workload hours/week*** |
|---|---|---|
| 4 hours/week<br>(2 hour Lecture + 2 hour Tutorial) | 6 hours/week | 10 hours/week |

* Total time spent per week at lectures and tutorials
** Total time students are expected to spend per week in studying, completing assignments, etc.
*** Combination of timetable hours and personal study.

### 1.5 Mode of Delivery

Classes will be face-to-face or hybrid. Certain classes will be online (e.g., special arrangements).

### 1.6 Pre-requisites

ACC100 Introduction to Accounting and FIN200 Corporate Financial Management

### 1.7 General Study and Resource Requirements

- Students are expected to attend classes with the weekly worksheets and subject support material provided in Moodle. Students should read this material before coming to class to improve their ability to participate in the weekly activities.
- Students will require access to the internet and their KOI email and should have basic skills in word processing software such as MS Word, spreadsheet software such as MS Excel and visual presentation software such as MS PowerPoint.
- Computers and WIFI facilities are extensively available for student use throughout KOI. Students are encouraged to make use of the campus Library for reference materials.

*Resource requirements specific to this subject:* Students should have a non-programmable calculator. Applications in smart phones will not be sufficient to perform the required calculations.

### 1.8 Academic Advising

Academic advising is available to students throughout teaching periods including the exam weeks. As well as requesting help during scheduled class times, students have the following options:

- Consultation times: A list of consultation hours is provided on the homepage of Moodle where appointments can be booked.
- Subject coordinator: Subject coordinators are available for contact via email. The email address of the subject coordinator is provided at the top of this subject outline.
- Academic staff: Lecturers and Tutors provide their contact details in Moodle for the specific subject. In most cases, this will be via email. Some subjects may also provide a discussion forum where questions can be raised.
- Head of Program: The Head of Program is available to all students in the program if they need advice about their studies and KOI procedures.
- Vice President (Academic): The Vice President (Academic) will assist students to resolve complex issues (but may refer students to the relevant lecturers for detailed academic advice).

# 2 Academic Details

### 2.1 Overview of the Subject

Banking and Finance provides an introduction to the theory and analytical techniques relevant to the management of Australian financial institutions in the global environment. It examines the major financial risks faced by Australian banks, methods of measuring and managing these risks and government interventions.

### 2.2 Graduate Attributes for Undergraduate Courses

Graduates of the *Bachelor of Business (Accounting),* and the *Bachelor of Business (Management and Finance)* courses from King's Own Institute will achieve the graduate attributes expected from successful completion of a Bachelor's degree under the Australian Qualifications Framework (2nd edition, January 2013). Graduates at this level will be able to apply an advanced body of knowledge from their major area of study in a range of contexts for professional practice or scholarship and as a pathway for further learning.

King's Own Institute's generic graduate attributes for a bachelor's level degree are summarised below:

| | KOI Bachelor Degree Graduate Attributes | Detailed Description |
|---|---|---|
| | Knowledge | Current, comprehensive and coherent knowledge |
| | Critical Thinking | Critical thinking and creative skills to analyse and synthesise information and evaluate new problems |
| | Communication | Communication skills for effective reading, writing, listening and presenting in varied modes and contexts and for transferring knowledge and skills to a variety of audiences |
| | Information Literacy | Information and technological skills for accessing, evaluating, managing and using information professionally |
| | Problem Solving Skills | Skills to apply logical and creative thinking to solve problems and evaluate solutions |
| | Ethical and Cultural Sensitivity | Appreciation of ethical principles, cultural sensitivity and social responsibility, both personally and professionally |

| | | |
|---|---|---|
| | Teamwork | Leadership and teamwork skills to collaborate, inspire colleagues and manage responsibly with positive results |
| | Professional Skills | Professional skills to exercise judgement in planning, problem solving and decision making |

Across the course, these skills are developed progressively at three levels:

- **Level 1 Foundation –** Students learn the basic skills, theories and techniques of the subject and apply them in basic, stand-alone contexts.
- **Level 2 Intermediate –** Students further develop skills, theories and techniques of the subject and apply them in more complex contexts, beginning to integrate the application with other subjects.
- **Level 3 Advanced** – Students have a demonstrated ability to plan, research and apply the skills, theories and techniques of the subject in complex situations, integrating the subject content with a range of other subject disciplines within the context of the course.

### 2.3 Subject Learning Outcomes

This is a Level 2 subject.

Listed below, are key knowledge and skills students are expected to attain by successfully completing this subject:

| Subject Learning Outcomes | Contribution to Graduate Attributes |
|---|---|
| a) Describe the global and Australian financial systems, with emphasis on the functions of their member institutions, the risks faced and the major role played by the banks | |
| b) Outline the financial regulatory and monetary authorities in Australia and their functions and powers | |
| c) Detail the major operations of the commercial banks and of the major non-bank financial institutions in Australia and, following deregulation, the expansionary moves by banks into the non-bank financial areas | |
| d) Explain the roles and functions of the share market, including its listing requirements, equity funding alternatives and the private equity market | |
| e) Describe the purposes and features of the domestic and international debt markets, the features which influence exchange rates and the use of financial swaps | |
| f) Outline the current challenges facing the banking system, including capital adequacy, higher taxation and increased scrutiny of their affairs. | |

### 2.4 Subject Content and Structure

Below are details of the subject content and how it is structured, including specific topics covered in lectures and tutorials. Reading refers to the text unless otherwise indicated. Tutorial exercises comprise selected Textbook1 end–of–chapter questions along with a range of multiple-choice questions.

*Weekly Planner:*

| Week (beginning) | Topic covered in each week's Class | Reading(s) | Expected work as listed in Moodle |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Week 1<br>27 Oct | 1. A modern financial system – an overview | Text Ch 1 and material provided in Moodle | Tutorials exercises |
| Week 2<br>03 Nov | 2. Commercial banks – activities, regulation and controls | Text Ch 2 and material provided in Moodle | Tutorial Exercises Quiz 1 due |
| Week 3<br>10 Nov | 3. Non-bank financial institutions – their roles and characteristics | Text Ch 3 and material provided in Moodle | Tutorial Exercises Quiz 2 due |
| Week 4<br>17 Nov | 4. The share market and the corporation | Text Ch 4 and material provided in Moodle | Tutorial Exercises Quiz 3 due<br>**Formative assessment due** |
| Week 5<br>24 Nov | 5. Corporations issuing equity in the share market – funding alternatives | Text Ch 5 and material provided in Moodle | Tutorial Exercises Quiz 4 due (Quiz 5 in class) |
| Week 6<br>01 Dec | Revision | | **Mid trimester exams**<br>Introduction to Individual Assignment,<br>Preview of Topics 6 - 10 |
| Week 7<br>08 Dec | 6. Short-term debt – nature and structure | Text Ch 9 and material provided in Moodle | Tutorial Exercises |
| Week 8<br>15 Dec | 7. Medium to long-term debt – types and features | Text Ch 10 and material provided in Moodle | Tutorial Exercises Quiz 6 due |
| Week 9<br>05 Jan | 8. International debt markets and credit rating agencies | Text Ch 11 and material provided in Moodle | Tutorial Exercises Quiz 7 due |
| Week 10<br>12 Jan | 9. Foreign exchange – factors which influence the exchange rate | Text Ch 16 and material provided in Moodle | Tutorial Exercises Quiz 8 due<br>**Assessment 3 due** |
| Week 11<br>19 Jan | 10. Interest rate swaps, cross-currency swaps and credit default swaps | Text Ch 21and material provided in Moodle | Tutorial Exercises Quiz 9 due |
| Week 12<br>27Jan (Tue) | Revision | Material provided in Moodle | Tutorial exercises Quiz 10 due |
| Week 13<br>02 Feb | Study review week and Final Exam Week | | |
| Week 14<br>09 Feb | Examinations<br>Continuing students - enrolments for T126 open | | Please see exam timetable for exam date, time and location |
| Week 15<br>16 Feb | Student Vacation begins<br>New students - enrolments for T126 open | | |
| Week 16<br>23 Feb | • Results Released<br>• Review of Grade Day for T325 – see Sections 2.6 and 3.2 below for relevant information.<br>• Certification of Grades<br><br>NOTE: More information about the dates will be provided at a later date through Moodle/KOI email. | | |
| **T126 2 Mar 2026** | | | |
| Week 1<br>02 Mar | Week 1 of classes for T126 | | |

### 2.5 Teaching Methods/Strategies

Briefly described below are the teaching methods/strategies used in this subject:

- *Lectures* (2 hours/week) are conducted in seminar style and address the subject content, provide motivation and context and draw on the students' experience and preparatory reading.
- *Tutorials* (2 hours/week) include class discussion of case studies and research papers, practice sets and problem-solving and syndicate work on group projects. Tutorials often include group exercises and so contribute to the development of teamwork skills and cultural understanding. Tutorial participation is an essential component of the subject and contributes to the development of many of the graduate attributes (see section 2.2 above). Tutorial participation contributes towards the assessment in many subjects (see details in Section 3.1 for this subject). Supplementary tutorial material such as case studies, recommended readings, review questions etc. will be made available each week in Moodle.
- *Online* teaching resources include class materials, readings, model answers to assignments and exercises and discussion boards. All online materials for this subject as provided by KOI will be found in the Moodle page for this subject. Students should access Moodle regularly as material may be updated at any time during the trimester
- *Other contact* - academic staff may also contact students either via Moodle messaging, or via email to the email address provided to KOI on enrolment.

### 2.6 Student Assessment
Provided below is a schedule of formal assessment tasks and major examinations for the subject.

| Assessment Type | When Assessed | Weighting | Learning Outcomes Assessed |
|---|---|---|---|
| **Assessment 1:** Formative assessment | Week 4 | 0% | a, c |
| **Assessment 2:** Mid-trimester exam, 1 hour plus 5 min reading time | Week 6 | 20% | a, b, c |
| **Assessment 3:** Quantitative field research - individual assessment (3,000 +/– 10% words) | Week 10 | 30% | a, c, f |
| **Assessment 4:** Final examination, On Campus: 2 hours + 10 min reading time | Final Exam Period | 50% | a, b, c, d, e, f |

*Requirements to Pass the Subject:*

To gain a pass or better in this subject, students must gain a *minimum of 50%* of the total available subject marks.

*Changes Made to the Subject Based on Feedback from Students and Teachers:*
Students expressed difficulty in remembering and applying technical concepts in banking and finance. In response, the presentation of lecture material was changed to four fifteen-minute vignette format, each followed by one short applied question, similar to tutorial and examination questions.

### 2.7 Prescribed and Recommended Readings
Provided below, in formal reference format, is a list of the prescribed and recommended readings.

***Prescribed Text:***

Saunders, A. Mallon, M, Erhemjemts, O., 2024. *Financial institutions management : a risk management approach,* 11th International Student edition, New York, McGraw-Hill.

***Recommended Reading:***

Australian Taxation Office. "Trusts" https://www.ato.gov.au/businesses-and-organisations/trusts

Hasana I, Marra B, Toc, Wuc, E, Zhang, G 2023. COVID-19, Pandemic and Global Corporate CDS Spreads, Journal of Banking and Finance, vol 147.

Hoshi T, Kawaguchi D, Ueda K, 2023. Zombies, again? The COVID-19 business support programs in Japan. Journal of Banking and Finance, vol 147.

Madura, J. 2024. *Financial Markets & Institutions*. 14th ed. Cengage.

Nguyen K and Hambur J, 2023. Adoption of Emerging Digital General-purpose Technologies: Determinants and Effects, Research Discussion Paper 2023-10

Nguyen K. 2022. The Real Effects of Debt Covenants: Evidence from Australia, RBA Research Discussion Paper 2022-05

RBA (2021) Statement on Monetary Policy, February 2021. [Accessed at: https://rba.gov.au/publications/smp/2021/feb/pdf/statement-on-monetary-policy-2021-02.pdf

RBA (2024) Financial Stability Review. RBA Publications [Accessed at: https://www.rba.gov.au/publications/fsr/2024/mar/pdf/financial-stability-review-2024-03.pdf]

Trana, U, Uzmanog, C, 2023. COVID-19, lockdowns, and the municipal bond market. Journal of Banking and Finance, vol 147.

Additional prescribed reading will be advised via MOODLE.

***Recommended References:***

- Australian Financial Review https://www.afr.com/
- Journal of Banking and Finance
- Journal of International Financial Markets, Institutions & Money
- Journal of Financial Research
- Money Management
- The Australian – Business Review section https://www.theaustralian.com.au/business
- The Financial Review

***Useful Websites:***

The following websites are useful sources covering a range of information useful for this subject. However, most are not considered to be sources of Academic Peer Reviewed theory and research.

If your assessments require academic peer reviewed journal articles as sources, you need to access such sources using the Library database, Ebscohost, or Google Scholar. Please ask in the Library if you are unsure how to access Ebscohost. Instructions can also be found in Moodle.

- Australian Centre for Financial Studies http://www.australiancentre.com.au/
- Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding http://www.guaranteescheme.gov.au/qa/deposits.html
- Australian Prudential Regulation Authority (APRA) http://www.apra.gov.au/Pages/default.aspx
- KPMG Financial Institutions Performance Survey webpage http://www.kpmg.com/au/en/issuesandinsights/articlespublications/financial-institutions-peformancesurvey/pages/default.aspx
- Reserve Bank Australia – Financial Stability page http://www.rba.gov.au/fin-stability/about.html
- Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry https://financialservices.royalcommission.gov.au/Pages/default.aspx