



Philadelphia university

Faculty of administrative & financial sciences

Department of banking & finance

Course syllabus

Course code: 0320220	Course title: Bank management
Lecture time:	Course prerequisite: none
Credit hours: 3hours	Course level: second year

Academic staff specifics

E-mail address	Office hours	Office number	Rank	Name

❖ **Course-module description:**

The basic concepts and components of the banking system, its important role in the economy, the sources of funds and the basic principles of employing such funds in a commercial bank, how to manage a commercial bank and what are the various functions of such a bank in detail, and finally, how to analyze a bank's financial statements for dealing- with it and / or managing it, purposes.

❖ **Course module objectives:**

The objectives of this course are to:

- Provide an overview of bank management.
- Provide student with an understanding of the basic issues involved in value creation and risk management for banking firms.
- Equip students with technical and analytical tools, and strategic abilities necessary to understand the evolution and workings of the commercial banking industry.

We will focus on the following areas:

1. Identifying the distinguishing features of banks as financial intermediaries, their unique characteristics as businesses in our economy, and their sources of value-added in the economy;
2. Identifying and understanding the sources of risk in banking and how these risks interact to understand the overall risk level that banks face in today's economic, financial, and regulatory environment;
3. Understanding how banks manage their risk exposure and the relationship of risk management to the creation of value for the bank;
4. Developing technical, analytical and decision making skills.
5. Understanding how the economic and regulatory environments of the banks impact Banks' decision-making;
6. Providing students with a foundation for more advanced academic and professional Training and development in bank management.

❖ **Course/ module components:**

• **books:**

Koch, timothy, macdonald, bank management, fifth edition -wesley,thomson,2010.

- **Support material:** (s) (vcs, acs, etc).
- **Homework and laboratory guide (s) if (applicable).**
- **Study guide (s) if (applicable).**

❖ **Teaching methods:**

Lectures, discussion groups, tutorials, problem solving, debates, etc.

❖ **Learning outcomes:**

• **Knowledge and understanding:**

Upon completion of this course, students will be able to complete the following key tasks:

1. The concept of bank management, and the different between commercial banks and specialized banks.
2. understanding competing financial – service institutions, and old and new services offered by the various banks.
3. The impact of government policy and regulation on banking and the financial services industry.
4. Determine the organization structure of commercial banking.

5. How to measure and evaluate the performance of banks.
6. Determine how to manage asset – liability management, and techniques and hedging against interest rate and credit risk.
7. Ability to calculate the paid interest on the various types of deposits, and the interest rate obtained from various credit facilities.
8. The new services and product offered by the banks such as e- banking services.

• **Cognitive skills (thinking and analysis):**

Upon completion of this course, students will be able to complete the following key tasks:

1. Identify the main objectives of bank management.
2. provide overview of commercial and specialized banks.
3. Determine the types of risks faced by the banks, and the procedures followed by the bank to reduce the various risk.
4. Describe the process of creating deposits in banks, and sources and uses of funds, and the key strategies for managing it, and the principles of employing the funds in commercial bank.
5. Discuss assets and liability management, and the key strategies for managing it.
6. Determine portfolio investment strategies, and the key for managing it.

• **Communication skills (personal and academic):**

Upon completion of this course, students will be able to complete the following key tasks:

- 1.The ability to work in banks by linking the theoretical and practical aspects.
2. The ability to analysis and make- decisions in the areas of banking business.
3. Communication between the subject teacher and students via e-mail, and e-learning.
- 4.To learn through the website of the department and a faculty members, scientific material, and the agenda guidance of the material, and the dates of the examinations.

• **Assessment instruments :**

- ✓ Short reports and/ or presentations, and/ or short research projects.
- ✓ Quizzes.
- ✓ Home works.
- ✓ First examination , Second examination ,Final examination.

Allocation of marks:	
Assessment instruments mark	Allocation of marks
First examination	20
Second examination	20
Reports, research projects, quizzes	20
Final examination	40
<u>Total</u>	<u>100</u>

❖ **Documentation and academic honesty:**

- Documentation style (with illustrative examples).
- Protection by copyright.
- Avoiding plagiarism.

❖ **Course/module academic calendar:**

week	Basic and support material to be covered	Homework/reports and their due dates
(1)	<p>Introduction to banks:</p> <p>A. Introduction to commercial banks:</p> <ul style="list-style-type: none"> -The concept of commercial banks. -Goals and objectives of the commercial banks. -The different services offered by the commercial banks. -The organization structure of commercial banks. 	Homework

<p>(2)</p>	<p>B. Introduction to specialized banks:</p> <ul style="list-style-type: none"> - The concept of specialized banks. - Goals and objectives of the specialized banks. -Functions and activities provided by specialized banks. -The different between commercial banks and specialized banks. 	<p>Case study</p>
<p>(3)</p>	<p>Administrative aspect in the banks:</p> <ul style="list-style-type: none"> -Centralization in organizing of the banks business activities and decision – making . -Commercial bank employees: board of directors- executive management- intermediate management - other employees. -Divisions and unites: responsibility and tasks. 	<p>Homework</p>
<p>(4)</p>	<p>Risks faced by the banks:</p> <ul style="list-style-type: none"> -The concept of risk. - The concept of risk management. -Risk measurement in the commercial banks. -Procedures followed by the banks to reduce the various risk. -Types of risks faced by banks: credit risk- market risk- liquidity risk- operational risk- capital risk-legal risks- reputation risks- other risks. 	<p>Case study</p>
<p>(5)</p>	<p>The process of creating deposits(money) in the banks:</p> <ul style="list-style-type: none"> -The concept of money creation. -The basic assumptions of the process of money creation. 	<p>Homework+ Case study</p>

	<p>-How to create money by solo bank.</p> <p>- How to create money by banking system – banking group.</p>	
(6) (7)	<p>Sources and uses of funds :</p> <p>-Internal sources of funds (own funds):paid -up capital , retained earnings, debentures.</p> <p>-External sources of funds.</p>	<p>Homework+ Case study</p> <p>First examination</p>
(8)	<p>Uses and investment funds in the commercial banks:</p> <p>-Direct credit facilities: overdraft- loans and advances – bills, and others.</p> <p>-Indirect credit facilities: guarantees(L/GS)- letter of credit (L/CS).</p>	<p>Homework+ Case study</p>
(9)	<p>Development and managing of commercial bank financing sources:</p> <p>- Development and managing the size of the funds own .</p> <p>- Development and managing the holding deposits in the commercial banks.</p> <p>-Factors influencing the lack of stability of deposits.</p> <p>-Development of external credit facilities.</p>	<p>Case study</p>
(10)	<p>Foundation functionality of commercial bank resources:</p> <p>-Components of lending strategic.</p> <p>-Various factors affecting in the lending strategy.</p> <p>-The principle of employing the funds in the</p>	<p>Case study</p>

	commercial banks.	
(11) (12)	<p>Asset and liability management:</p> <ul style="list-style-type: none"> -The first stage: asset management- asset liability-capital management. -The second stage: achieving the goals and policies of the bank, it includes: loan administration- reserve position management. -Liquidity management :initial reserves and secondary reserves. -Investment management: long –term-debt management- fixed assets management. - Approach to allocation funds and harmonization between assets and liabilities: pool – of funds approach- asset -allocation adjustment approach-priorities in the use of – bank funds approach. -Analysis the gap between assets – liability , and how to manage it. 	<p>Second examination</p> <p>Homework+ Case study</p>
(13) (14)	<p>Management of investment portfolio strategy in the banking:</p> <ul style="list-style-type: none"> -The concept of investment portfolio. -Goals of investment portfolio in the banks. - Investment portfolio risk. -Policies governing the process of investing in securities. 	<p>Homework+ Case study</p>
(15)	<p>Electronic banking services offered through banks:</p> <ul style="list-style-type: none"> -The concept of e – banking services -The importance of e – banking. -Requirement to provide e- banking services. -Electronic distribution channels: atm- home banking- mobile banking- phone banking- call center- sms- internet banking. 	<p>Homework</p>

	-The risks of e – banking . -Obstacles to the use of e – banking .	
(16)	Interest rate: -Calculating of interest rate on deposits. - Calculating of interest rate on the various credit facilities.	Homework+ Case study Final examination

❖ **Module references:**

Books:

Rose,peter,hudgins,sylvia,bank management and financial services, seventh edition,mcgraw-hill,2012.

Journal:

1.journal of finance and banking.

2.journal of business and economics.

Websites:

Ebsco data base.

Science direct data base.

(www.ccd.gov.jo)

(www.mit.gov.jo)

(www. Ase.gov.jo)

❖ **Expected workload:**

On average students need to spend 2 hours of study and preparation for each 50-minute lecture/tutorial.

❖ **Attendance policy:**

Absence from lectures and/or tutorials shall not exceed 15%. Students who exceed the 15% limit without a medical or emergency excuse acceptable to and approved by the

dean of the relevant college/faculty shall not be allowed to take the final examination and shall receive a mark of zero for the course.

If the excuse is approved by the dean, the student shall be considered to have withdrawn from the course.