



LONDON SOUTH BANK
UNIVERSITY

unit guide

Unit Name:

Financial Institutions

Unit Reference Number:

FHD-2-204

Faculty:

Business Computing and
Information Management School

Academic year:

2006-2007

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1. UNIT DETAILS

Unit Title:	Financial Institutions
Unit Level:	2
Unit Reference Number:	FHD-2-204
Credit Value:	1
Student Study Hours:	150
Contact Hours:	36
Private Study Hours:	114
Pre-requisite Learning (If applicable):	No specific pre-requisite units
Co-requisite Units (If applicable):	No co-requisite units
Course(s):	BA(Hons) Business Administration (Year 2)
Year and Semester	2006-2007 Semester 1
Unit Coordinator:	Shashi Kumar
UC Contact Details (Tel, Email, Room)	02078157792; kumars@lsbu.ac.uk; L42
Teaching Team & Contact Details (If applicable):	
Subject Area:	Finance
Summary of Assessment Method:	A written examination with a weighting 50%, and a Coursework assignment with a weighting of 50%

2. SHORT DESCRIPTION

This unit is directed towards students in the second year of undergraduate business studies programmes. The unit provides basic theory of the financial systems, its markets and participants, with a focus on financial intermediaries. The unit will also introduce some elements in financial regulation and the changes introduced by the European Union and the globalization of banking.

3. AIMS OF THE UNIT

The unit intends to provide students with key theoretical knowledge of financial markets and its institutions. The highlight of the unit is to explain conceptual aspects of the markets and their operation, and deliberating on the importance of this sector to the overall economic activity.

4. LEARNING OUTCOMES

4.1 Knowledge and Understanding

On completion of this unit, students should be able to:

- Identify the importance of the different financial markets and their characteristics.
- Recognise and explain financial intermediation and its overall evolution during the last few years.
- Understand and distinguish operations from different financial intermediaries.
- Increase students' awareness of the internationalisation of financial markets, the role of regulation and the impact of the European Union on the financial services industry.

4.2 Intellectual Skills

The teaching programme is intended to develop students' group discussion and problem solving skills. In addition to numeracy skills, the unit also encourages the development of a high standard of report-writing skills.

4.3 Practical Skills

Develop the ability to understand and use theoretical arguments applied to financial services and institutions

4.4 Transferable Skills

Lays great emphasis on developing the following transferable skills:

- Researching skills
- Reading and comprehension skills
- Analytical & problem solving skills
- Information technology skills
- Written communication skills
- Oral communication skills
- Planning and organisational skills

5. ASSESSMENT OF THE UNIT

This unit will be evaluated by a combination of methods:

One coursework	50 %
Examination Paper (Two-hours)	50%

The coursework will emphasise the development of the skills specified as learning outcomes. The written examination will help to assess the level of individual achievement of each student.

For both, assignment and examination, provisions will be made according to the regulations, for re-sitting any of the assessment components. In order to pass a student must obtain a minimum of 30% for each of the elements of assessment, and an overall average of 40%.

6. FEEDBACK

Feedback will normally be given to students 15 working days after the submission of an assignment.

7. INTRODUCTION TO STUDYING THE UNIT

7.1 Overview of the Main Content

Financial Institutions are an important part of the modern financial system. This course provides a contemporary view of the institutions in the business world. It will provide students with the building blocks to analyse and evaluate the existing financial system in a country. The course is designed to help understand the contemporary practices in the process of financial intermediation and to familiarise with the regulation of the financial system

7.2 Overview of Types of Classes

The unit will be delivered in the form of Lectures and Seminars.

LECTURES:

In a lecture, usually of two hours, underlying concepts are introduced and parameters defined. Extant theory and practice related to the topics are explained and examples are used to encourage exploration of the topic by further reading.

SEMINARS: Seminars, usually of 1 hour each, are a forum for students to air opinions, clear doubts and crystallize thoughts through quantitative and qualitative analysis of main issues encountered in this unit. This gives the leader an opportunity to determine the extent to which concepts and techniques have been communicated, and consider the adequacy of each student's understanding with a view to taking due action. Seminars are generally reinforced by use of the BlackBoard (Virtual Learning Environment) site set up for the unit

7.3 Importance of Student Self-Managed Learning Time

Academically, the unit is set at level two of the undergraduate course. It requires students to complement the formal Lectures and Seminars by relevant personal reading and thinking. Much of this thinking will be about understanding the concepts and techniques. Equally important will be the thinking about finding answers to problem solving questions.

To do this students will need to read relevant chapters in books on Financial Institutions and various journals listed in this Unit Guide. A key source of latest theoretical and practical developments in the area of Financial Institutions is good quality finance journals.

The unit is delivered on the basis that each hour of formal classroom study is supported by, at least, three hours of independent reading and study. This is required throughout the duration of the delivery of this unit.

7.4 Employability

On completion of this unit students should have an operational level knowledge of the main principles, approaches, conventions and practices of financial intermediation, so that they will be able to apply them within real-world problems and situations. In being able to do so, students are likely to enhance their overall employment potential and/or their ability to undertake practical work with a view to commencing employment in a financial institution.

8. THE PROGRAMME OF TEACHING, LEARNING AND ASSESSMENT

The unit is divided into following four parts.

Part I: The financial system and the economy.

Part II. The financial markets.

Part III. Financial institutions.

Part IV. Financial regulation.

Part I: The financial system and the economy.

Week 1. The financial system.

Week 2. The financial system and the real economy.

Part II. The financial markets.

Week 3. Money Markets.

Week 4. The capital markets.

Week 5. The foreign exchange, derivatives and international capital markets.

Part III. Financial institutions.

Week 6. Deposit-taking institutions. Bank of England and Banks.

Week 7. Deposit-taking institutions. Banks and Building Societies.

Week 8. Non-deposit-taking institutions.

Part IV. Financial regulation .

Week 9. The regulation of Financial markets and institutions. Theory. The UK regulation.

Week 10. The regulation of the European Financial markets and institutions.
 Week 11. Problems of globalisation

8.1 ASSESSMENT PROGRAMME

This unit will be evaluated by a combination of methods:

One coursework	50 %
Examination Paper(Two-hours)	50%

The coursework will emphasise the development of the skills specified as learning outcomes. The written examination will help to assess the level of individual achievement of each student

Coursework essay

The written piece of coursework will be an analysis of a Case Study or an essay assigned by the lecturer. The case study will contain all relevant information to the case. It could also incorporate additional considerations as a consequence of the discussions taking place during the seminars.

The coursework will be submitted to the administration office before the given deadline. Students are advised to keep a copy of the coursework for their own use. The submitted copy might be retained to be sent to the external examiner jointly with the students' examination papers.

The coursework should not exceed 2,500 words (excluding bibliography and appendices), and will be marked taking into account effort, clarity and use of relevant academic tools, as follows:

- 40-50 % An essay that indicate **relevant points** in the topic under consideration.
- 50-60 % A structured essay in which relevant arguments **support a conclusion** in consideration to the topic.
- 60-70 % A structured essay showing signs of the **author's own thinking or research**
- 70 % +A well structured essay showing signs of the author's own thinking or research and a **critical understanding** of issues relevant to the topic under consideration.

Using specialised journals, sources and recent publications benefits the analysis and adds to better marks.

Examination paper

At the end of the semester students will sit a two- hour unseen exam paper. A typical exam for this unit comprises no more than 5 questions of which students will be asked to answer three.

Questions will cover the whole content of the unit, and will target the use of theoretical and other additional competencies, as specified in this Unit Guide

9. LEARNING RESOURCES

9.1 Core Materials

Howells, P. and K. Bain (2004). Financial Markets and Institutions. FT Prentice Hall. Fourth Edition. UK.

Madura, J. (2005) Financial Markets and Institutions. Published by South Western ©2006. Seventh Edition

Howells, P. and K. Bain (2002). The economics of Money, Banking and Finance. A European Text. FT Prentice Hall. UK.

9.2 Optional Materials

Valdez, S. (2003). An Introduction to Global Financial Markets. Profile Financial Training plc. GB.
 Fabozzi, F. and F. Modigliani (2003). Capital Markets. International Edition. Prentice Hall.
 Pearson Education. US.
 Eiteman, D. et al (2004). Multinational Business Finance. Addison-Wesley. Pearson Education.
 US.
 Mishkin, F. and S. Eakins (2003) Financial Markets and Institutions. Addison-Wesley. US.
 Hubbard, R. G. (2000) Money, the Financial System, and the Economy. Addison-Wesley
 Longman.
 Ritter, L.; W. Silber and G. Udell. (2000) Principles of Money, Banking and Financial Markets.
 10th ed. Addison-Wesley Longman.

As a complement you should use the following publications frequently:

The Financial Times
 The Economist
 The Wall Street Journal
 Journal of International Business Studies
 The Banker
 Banking World
 Journal of International Money and Finance

WEBSITES:

www.elsevier.nl
www.ft.com
www.economist.com
www.liffe.com
www.marketeye.co.uk
www.bankofengland.co.uk
www.imf.org
www.cme.com
www.isda.com
www.phlx.com
www.ml.com
www.yahoofinance.com
www.bloomberg.co.uk
www.ftse.com
www.globalinvestor.com
www.iii.com

9.3 ON-LINE TEACHING AND LEARNING TOOLS.

The Unit's Blackboard web site. An Internet site will be created to support this unit. The site will contain information on weekly lectures, handouts, recommended bibliography, links to web sites, coursework, etc.

You can access the site by typing www.lsbu.ac.uk/bb when using your internet server. Your lecturer will provide all necessary information to use the site.

Internet information, articles and historical financial data and analysis will be utilised throughout the whole unit. Thus, it is important that you start using the Internet from the beginning of the semester.

Instructions to Use the Blackboard Web Site for This Unit

This unit will use the Blackboard Virtual Learning Programme, as a supplement for teaching and learning that will take place during scheduled sessions and study time.

How to use Blackboard for this unit.

Go to www.lsbu.ac.uk/bb and then to **Find a Course**. Type in the name of the course or look for the name of the unit Financial Institutions

You will be asked to enrol on this unit and for that you will be asked to create an account: **User name** and **password**.

You will also be asked to enter the access code for this course, which will be given to you by the lecturer during the first session. Please, get in touch with the lecturer if you need the access code.

When you enter the course, you will see a display menu with different headings.

The folders that have been open for your use are:

- Course Information
- Course Documents
- Unit Guide
- Seminar Questions
- Assignments
- Staff Information
- External Links

Please, remember that all lecture's and seminar's handouts, recommended reading and other instructions will be updated every week, and therefore, you need to review the site periodically. In the folder names as ANNOUNCEMENTS you will find news and other information deemed of interest by the lecturer.

NOTES

It is very important that you should have read the handout or the relevant topic from one of the core books before coming to the class to derive maximum learning and enjoyment from the lectures and seminars.