



Banking & Finance

General data

Course code:	B19GMK15E
ECTS credits:	7
Type of the course:	Core Course
Semester:	Spring, 6
Course restrictions:	-
Course leader (with availabilities):	Zoltán Gál, PhD galz@tkk.pte.hu +36 72 501 599/ 23267
Further lecturer(s) (with availabilities):	Kludia Rádóczy radoczy.kludia@tkk.pte.hu

1. Description and aims

This module aims to examine the role of money in the economy and demonstrate how the workings of financial markets affect your everyday life. It also examines how financial institutions such as banks, investment and insurance companies work, foreign exchange and capital markets operate. Heavy emphasis is put on the international perspective of financial markets that determine the performance and opportunities of companies in the globalized economy. This module discusses some of the contemporary issues facing banking activities and presents the trends in financial digitalization, its impact on banking intermediation, payment systems, and regulatory challenges and central bank responses to financial digitization. The course is concerned with institutions and regulatory environment of financial markets, that govern the financial sector. The course will help students recognize the importance of financial markets in the economy and understand how changes in financial intermediation, regulation and financial innovation affect finance, banking and the economy.

2 Course Intended Learning Outcomes (CILOs)

Upon successful completion of this module, the student will be able to:

1. Understand the main theoretical and conceptual knowledge to identify the main foundation of the financial system in global contexts and able to critically analyse the practical significance of financial theories, (PILO1),
2. Compare the impact of the different financial systems and recognize the importance of financial markets in the economy (PILO1),
3. Understand how financial intermediation and financial innovation affect banking and the economy, (PILO1),
4. Describe the factors that affect the money market and the equilibrium interest rate and understand the operation of stock market (PILO4),
5. Understand the main activities of bank management, identify risks, cope with uncertainties and able to analyse bank balance sheet, (PILO2, PILO3, PILO4),



6. Recognize the key features of the banking system and Identify the key structural and regulatory changes in the commercial banking industry and understand the the role of the central bank within the regulatory system, *(PILO2, PILO4)*,
7. Assess the innovative nature of new business models that determine the digital transformation of banks, to analyze risk and to plan and manage project activities in teams *(PILO1, PILO5)*,
8. Explain the main drivers of financial globalization, the development of international financial markets and International Financial Centres, *(PILO1)*,
9. Identify the key features and the types financial crisis, *(PILO1)*,
10. Develop their arguments and debate with peers and able to work and positively contributing to team working. *(PILO5, PILO6)*,

(The remarks in brackets express each CILO's connection to the Program Intended Learning Outcomes (PILOs)).

3. Content, schedule

The discussion of topics is divided into the following eleven chapters:

1. An Overview of the Financial System **(02.01)**
2. What Is Money? **(02.08)**
3. Understanding interest rates **(02.15)**
4. The Stock Market and related theories **(02.22)**
5. Economic Analysis of Financial Structure and risk management **(03.01)**
Guest Lecture: József Szalay
6. Money supply and Bank Management **(03.08)**
7. Development & structure of banking industry (Commercial & investment banking) **(03.22)**

MIDTERM 03.24. 17:30

8. Financial Regulations and central banking **(03.29)**
9. International Financial Sytem and Exchange Rate regimes **(04.05)**
10. Internatonal financial markets (FX, debt) and international capital flows and and IFCs **(04.12)**
11. Financial innovations and Digitalization of banking (FinTech challenges) and ESG finance **(04.26)**
Guest Lecture – József Czímer
12. Financial crisis **(05.03)**



4. Learning and teaching strategy, methodology

Principal teaching methodologies:

In this course both, theoretical and practical connotations requires a lectures on the concepts and principles while analysing of its practical implications. This module is delivered via a combination of lectures and some analytical and practical exercises. Student presentations focus on case study analysis following in-class discussion. The weekly classes in the case of chapters with practical business relevance are divided into two parts: the first part is a lecture, which is deployed to introduce the theoretical background, main concepts and issues related to the given topic, while the second part is used to discuss practical issues in the forms of analysing financial data, solving management issues or working on case studies (including literature search and pre-reading of book chapter) in teams to elaborate business problems and discuss the current issues of the financial industry. Students' reflections on the recommended reading material and their contributions to the discussion are considered important elements of the learning process.

5. Assessment

Formative assessment elements: Oral feedback on in-class activities, discussion of the solution of analytical exercises solved during the classes and team works or assigned short reaction papers at the end of certain chapters.

Summative assessment scheme

Individual Assessment	85% (70%+15%)	Group Assessment	15%
------------------------------	-------------------------	-------------------------	-----

Name of the element	Weight	Type	Details	Retake opportunity	Req.*	Related CILOs
Midterm exam	25%	exam/written	A written exam based on selected chapters 1-6,	one retake opportunity	yes	1,2, 4, 5, 6,
Final exam	45%	exam/written	A complex written exam based on all chapters	one retake opportunity	yes	1,2,3,4, 5,6,7, 8,9,10,
Case studies/team works	15%	case studies/ group (oral, written)	Case study presentations (team works), reaction papers	no	no	7,8,9,10,
Analytical/practical exercises	15%	analytical tasks/ individual (written)	Numerical exercises	no	no	4,5,6,7

* Req.: Completion of the element is required to pass the course, irrespective of the performance in other elements.

To pass the module, the student must achieve more than 50% of the points attainable in *each assessment element*.



6. Learning materials

Essential:

Mishkin, F.C.: The Economics of Money, Banking and Financial Markets, Addison-Wesley 2019. 12th edition, ISBN-13: 9780133836790

Recommended:

Lawrence J. Gitman: Principles of Managerial Finance, Addison - Wesley 10th Edition

Banks in the changing world of financial intermediation MC Kinsey report (2018)

<https://www.mckinsey.com/industries/financial-services/our-insights/banks-in-the-changing-world-of-financial-intermediation>

Arner D. et. al. (2015). *The evolution of fintech: a new post-crisis paradigm*. Research Paper No. 2016-62. The University of New South Wales (UNSW) and the University of Hong Kong, UNSW Law.

<https://hub.hku.hk/bitstream/10722/221450/1/Content.pdf>

7. Further information

International aspects embedded with the course
Theoretical models Case examples, case studies during class Guest lectures from international faculty Talks from practitioners on ERS and how it relates to course
Ethics, Responsibility & Sustainability (ERS) aspects embedded with the course
Theoretical models Case examples, case studies during class Guest lectures from international faculty Talks from practitioners on ERS and how it relates to course
Connections to the world of practice of the course
Traditional case studies Talks from practitioners during class Use of practitioner focused research