

**University Университет**

(Acronym)

TSU

**Course unit title**

(same name as in the cover page)

Banking

**This course is:**

**Updated** (Обновленный)

Newly developed (вновь созданный)

**Semester**

6

**Responsible academic staff member**

(Name of the responsible teacher)

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**Institutional contact**

(E-mail)

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a) **Mode of delivery**

Face- to-face

**b) Language(s) of instruction**

(Russian / English)

(Russian / English)

**c) Syllabus (Программа курса)**

Topic 1. Legal and economic bases of the banking

The definition of a commercial bank. Functions of the bank and its role in the economy. The principles of organization of banking activities.

The definition of banking services. Banking market. Specifics of the banking services market in Russia.

Legal status of a commercial bank. The order of creation, reorganization and termination of banks. Concept and types of banking license.

Bank management. Principles and objectives of bank management. The main directions of bank management.

Bank marketing. Targets, goals and objectives. Bank marketing techniques. Active and passive marketing. The components of the system of bank marketing. Marketing and organizational structure of the bank: traditional and marketing-oriented: organization by service groups, by customer groups, matrix and divisional organization. The strategy of banking development.

Topic 2. Operations of commercial banks and their types

Operations of commercial banks and their types: active, passive, intermediary (commissionable) and consulting (near-bank). Active and passive operations of banks and the principles of their reflection in the balance sheet. The balance sheet of commercial bank.

Resources of commercial banks. Credit potential of the bank. Methods of formation of own funds. Structure of own and borrowed funds, costs of their formation. Assets and liabilities (passive) of the bank, their classification.

Topic 3. Organization of banking activities

Organization of banking activities: targets, goals and objectives, directions. Organizational structures of bank management.

Organization of activity in the market of attraction resources. Concept, principles and objectives of deposit policy. Optimization of liabilities structure. Deposits: definition

and types.

Organization of the banking activities in the securities market. Characteristics of active, passive and other operations of the bank with securities. Prospectus on the issue of securities by commercial banks. Organization of the emission process.

Organization of the credit process in the commercial bank. The principles, forms and methods of lending. Analysis of the client's creditworthiness.

Banking innovations. Other operations of commercial banks: leasing, factoring, trust, consulting.

Basics of organization of non-cash payments.

#### Topic 4. Bank profit. Solvency and liquidity

Bank profit. Classification of income and expenses. Factors, which assess the level of income and expenses. Analysis of profitability of the bank.

Solvency and liquidity of the commercial bank. Liquidity ratio. Methods of liquidity management.

The system of economic standards.

The definition and types of risks of the commercial bank.

External and internal risks.

External risk. Country risk. Currency risks and their varieties.

Internal risk. Risks, which associated with the type of commercial bank. Risks, which associated with the banking operations and their varieties. Risks, which related to the specifics of the customer of commercial bank.

Procedure (order) and methods of insurance of risks.

#### **d) Abstract (Аннотация)**

It's intended for undergraduate students of training program Economy of specialization Financial Economy.

The target of teaching is: to acquaint students with the place of a commercial bank in the system of infrastructure of financial market, its role, functions, main operations, as well as to study the impact of the bank on the economic system as a whole (in global).

Objectives:

The main tasks of the subject «Banking» include:

1. To provide students with knowledge about the role of the bank in the economic system, about the main operations of commercial banks.
2. To give a systematic approach to the analysis of the activities of commercial bank.
3. To teach students the ability to calculate the creditworthiness (trustability) of the customer of commercial bank.
4. To teach students the ability to read the balance sheet of a commercial bank.
5. To teach the ability to solve problems, which connected with interest calculations on deposits and loans.

**e) Teaching methodology (including assessment)**

It includes lectures, seminars, oral class presentations, tutoring and final written examination.

The training uses lectures-visualizations, lectures-discussions, the solution of situational tasks and problems, brainstorming. The methods of group problem solving are commonly used. Students prepare oral presentations on topical issues of financial science for the seminars.

**f) References (1000 characters maximum)**

1. Frost S. The Bank Analyst's Handbook: Money, Risk and Conjuring Tricks. – John Wiley & Sons, 2004.
2. Choudhry M. Bank asset and liability management: Strategy, Trading, Analysis. - John Wiley & Sons, 2007.
3. Mishkin F. The Economics of Money, Banking and Financial Markets/ 7<sup>th</sup> ed. – Pearson, 2004.
4. Roger LeRoy Miller, David D. VanHoose. Modern Money and Banking. / third ed. – McGraw-Hill, Inc, 2000.