

## Faculty of Economics and Political Science

### Management of Banks

#### Information :

**Course Code :** PAD 308

**Level :** Undergraduate

**Course Hours :** 3.00- Hours

**Department :** Department of Public Administration

#### Instructor Information :

| Title    | Name                            | Office hours |
|----------|---------------------------------|--------------|
| Lecturer | Mohammad Samir Mohammad Mahmoud | 1            |

#### Area Of Study :

This course explains the nature and main functions of the banking system, its regulatory and supervisory framework, as well as the role it can play in economic growth and development. It pinpoints various risks confronting the sector, and methods of mitigating and managing those risks. It emphasizes the critical role of central banks as regulatory and supervisory entities. In addition, the course covers monetary policy tools, both in the local and international markets; furthermore, it puts emphasis on global financial crises, their main sources, and policies adopted by different countries.

#### Course Goals:

- Acquaint students with the overall role of the financial system, with a focus on the banking sector.
- Inform students of the different types of banks, their activities and the recent trends towards international banking.
- Equip students with the required technical skills to assess soundness and performance of the banking sector as well as identifying areas of vulnerability and potential crisis.
- Enable students to fully understand the different types of banks' financial statements and practical issues concerning risks, and means of risk management.
- Introduce the concept of inclusive finance and the importance of pro poor strategies to ensure that the banking sector cater all sectors of society.
- Understand the implications of recent economic and political development in the Arab region with a special focus on Egypt's banking system.

#### Description :

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#### Course outcomes :

##### **a. Knowledge and Understanding: :**

|     |                                                                               |
|-----|-------------------------------------------------------------------------------|
| 1 - | Outline basic structure, function, and types of the banking sector.           |
| 2 - | Describe the current bank activities and supervisory institutional framework. |

|     |                                                                                                                                                                                                                                             |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3 - | Recognize economic principles related to decision making in terms of management of banks such as the interest rate structure, the rational expectation theory used, expected rates of return, expected inflation, income and price effects. |
| 4 - | Identify the key means by which the economy can affect interest rates and in return the money market and the international banking sector.                                                                                                  |
| 5 - | Investigate the role of the central bank.                                                                                                                                                                                                   |
| 6 - | Elaborate on bank risks, challenges, crises and alternative solutions to prevent such risks.                                                                                                                                                |
| 7 - | Investigate simple mathematical, verbal and diagrammatic methods of analysis.                                                                                                                                                               |
| 8 - | Draw alternative policy responses focusing on contemporary macroeconomic policies while always referring back to some specific macroeconomic model.                                                                                         |

**b. Intellectual Skills: :**

|     |                                                                                                                                                                                                  |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 - | Subdivide different macroeconomic and microeconomic methodological tools into mathematical and diagrammatical methods of analysis to explain issues related to the subject of money and banking. |
| 2 - | Analyze the characteristics of the financial system, focusing on the banking sector, the central bank, international banking, banking tools, and bank crises.                                    |
| 3 - | Link money and banking with other social branches both economic and non-economic to facilitate the decision making process.                                                                      |
| 4 - | Interpret key macroeconomic principles to various practical and policy issues.                                                                                                                   |
| 5 - | Differentiate between the different types of banks, their activities and the recent trends towards international banking.                                                                        |

**c. Professional and Practical Skills: :**

|     |                                                                                                                                          |
|-----|------------------------------------------------------------------------------------------------------------------------------------------|
| 1 - | Model calculations of rate of returns of primary financial instruments, present value of stocks and bonds, and expected inflation rates. |
| 2 - | Show an understanding of monetary policy and the impact it has on the economy.                                                           |
| 3 - | Produce basic financial evaluations for company performance.                                                                             |
| 4 - | Use both qualitative and quantitative skills in solving economic problems.                                                               |
| 5 - | Contribute in decision making by acquiring important skills in numeracy, literacy, and information processing.                           |

**d. General and Transferable Skills: :**

|     |                                                                                                          |
|-----|----------------------------------------------------------------------------------------------------------|
| 1 - | Experience with conceptual frameworks effective for problem solving and decision making.                 |
| 2 - | Acquire analytical reasoning skills, numeric and clear effective communication skills.                   |
| 3 - | Test the ability of students to work under pressure and as part of a team.                               |
| 4 - | Read and analyze financial news and reports including stock market prices, foreign exchange rate prices. |

**Course Topic And Contents :**

| Topic                                                       | No. of hours | Lecture | Tutorial / Practical |
|-------------------------------------------------------------|--------------|---------|----------------------|
| Introductory lecture and course outline                     | 9            | 3       |                      |
| Part One: Functions, Role, and Activities of Banking System |              |         |                      |
| a. Functions, Role and Structure of the Banking System      |              |         |                      |
| b. Banking Activities and Current Issues in Banking         |              |         |                      |
| c. Types of Banking and International Banking               |              |         |                      |

### **Course Topic And Contents :**

| <b>Topic</b>                                                                                                                                                                                                                                       | <b>No. of hours</b> | <b>Lecture</b> | <b>Tutorial / Practical</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------|-----------------------------|
| Part Two: Financial Supervisory and Regulatory Framework<br>a. Government Policies and Regulations<br>b. The Role of the Central Bank<br>c. Banking Regulation and Supervision                                                                     | 9                   | 3              |                             |
| Midterm Exam                                                                                                                                                                                                                                       | 3                   | 1              |                             |
| Part Three: Banking Performance<br>a. Analyzing Bank Performance<br>b. Banking Risks and Managing Risks<br>c. Assessment of the Soundness of the Banking System CAMELS                                                                             | 9                   | 3              |                             |
| Part Four: Banking and Economic Growth and Development<br>a. Access to Finance and Economic Growth<br>b. Financial Intermediation for SMEs and Job Creation<br>c. Implications of the recent economic and political development in the Arab Region | 12                  | 4              |                             |
| Final Exam                                                                                                                                                                                                                                         | 3                   | 1              |                             |

### **Teaching And Learning Methodologies :**

Data show and computer in lectures  
 Demonstration videos  
 Simulations  
 Presentation  
 Research Paper  
 Debates  
 Group discussion

### **Course Assessment :**

| <b>Methods of assessment</b>                                                  | <b>Relative weight %</b> | <b>Week No</b> | <b>Assess What</b>                                                                           |
|-------------------------------------------------------------------------------|--------------------------|----------------|----------------------------------------------------------------------------------------------|
| Course Work (Attendance, Participation, Assignments, Quizzes, Research Paper) | 30.00                    |                | To assess understanding and theoretical background of the intellectual and practical skills. |
| Final Exam                                                                    | 40.00                    | 15             | To assess knowledge and intellectual skills.                                                 |
| Midterm Exam(s)                                                               | 30.00                    | 7              | To assess professional skills.                                                               |

### **Recommended books :**

Sahar Nasr and Douglas Pearce, SMEs for Job Creation in the Arab World: SMEs Access to Financial Services, Middle East and North Africa Department, Washington, D.C.: World Bank, January 2012.

### **Periodicals :**

Sahar Nasr. "The Egyptian Banking System: Post January 25th Revolution" Cambridge Business and Economics Conference Proceedings, University of Cambridge, UK, June 2012.  
Sahar Nasr. "State-Owned Financial Institutions: Do They Make It or Break It?" Oxford Business and Economics Conference, Oxford University, UK, June 2008.  
The World Bank, Finance for All: Policies and Pitfalls in Expanding Access, The World Bank, Washington D.C. 2008.

**Web Sites :**

David Scott. "Banks in Crisis: When Governments Take Temporary Ownership" Crisis Response. World Bank, October 2009.  
<http://rru.worldbank.org/documents/CrisisResponse/Note9.pdf>

Jonathan Kath. "Credit Rating Agencies: No Easy Regulatory Solutions" Crisis Response World Bank, October 2009.  
<http://rru.worldbank.org/documents/CrisisResponse/Note8.pdf>

Paul Volcker and Jacob Frenkel, "Financial Reform: A Framework for Financial Stability" G30 2008.  
<http://www.group30.org/pubs/recommendations.pdf>