

University of Bridgeport

School of Business

Fin 345

Managements of Financial Institutions

Summer 2016

Course Syllabus

Class Schedule:	Summer 2016
Meeting Days/Time:	TBD
Class Location:	TBD
Instructor:	Gew-rae Kim, Ph.D.
Department:	Finance
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Course Materials

Required Materials:

1. Class Notepak
2. Class Handouts

Recommended Reading

Wall Street Journal

Barron's

Foundations of Financial Markets and Institutions: Prentice-Hall; Fabozzi, Modigliani & Ferri

Only Yesterday: Wiley; Frederick Lewis Allen

Back from the Brink: The Greenspan Years; Wiley, Steven K. Beckner

A. General Course Information

1. Course Description

This course aims to analyze the key problems encountered in a wide range of activities of financial institutions, including asset liability management, liquidity management, and market risk and credit risk management. It uses quantitative models such as 'value at risk' to illustrate the types of models necessary to manage modern financial institutions.

It emphasizes factors relevant to strategic planning for financial institutions, including technological change, developments in the regulatory environment, international sources of competition, developments in monetary and Federal Reserve policy, as well as entry by new types of institutions into existing financial markets.

2. Intended Audience

Graduate Students at the University of Bridgeport

3. Course Objective

The purpose of this course is to apply traditional finance concepts to the management of financial institutions **Commercial Bank , Investment Bank, Insurance companies worldwide**. It emphasizes decision making and specific problem solving techniques. The basic format is to introduce a problem, discuss the relevant Recent(Including Exotic Options, Swaps) financial concepts, provide an analytical framework, and then apply the decision tools. It also examine the risk and return impacts of various credit, investment, operational, and funding decisions.

The concept of asset and liabilities management serves as the unifying theme. While asset and liability management initially focused on monitoring interest rate risk, it also considers comprehensive strategies involving credit quality, liquidity planning, capital planning, expense control, generating fee income, and tax planning. For those purpose, **we may use the most sophisticated financial securities, like CMO, GIC, Futures, Options(including Exotic options), Securitization, and Swaps.**

B. Prerequisite

Basic Introduction to Finance and Basic knowledge and understanding of Present Value and Future Value of Money.

C. Mode of Instruction

Lecture and classroom problem solving. Assignments and Exam will be based problem solving technique.

D. Student Responsibilities

1. Academic Honesty Standards.

It is the students responsibility to familiarize himself or herself with and adhere to the standards set forth in the policies on cheating and plagiarism as defined in Chapter 2 and 5 of the Key to UB <http://www.bridgeport.edu/pages/2623.asp> or the appropriate graduate program handbook.

2. Class participation.

Students are expected to arrive for class on time and participate in assigned classroom activities.

3. Assignments.

Assignments will be given as the course material is presented.

4. Instructions for Assignments and Papers.

All assignments and papers must be presented in neat manner and may be hand written or computer generated and submitted by emails.

5. Late Work.

Late work without good reason will be penalized..

6. Study Hours.

Students should plan to spend at least two hours of independent study for each hour of class lectures.

7. Electronic Devices.

Laptop computers are welcome and recommended. Cell phones may not be used and must be turned off while in class.

8. Integrity.

Cheating, plagiarism and unauthorized collaboration may result in a grade of F for the course.

E. Grading

Grade Breakdown

Homework:	15%
Class Participation and Attendance:	10%
Midterm:	25%
Final:	50%

Grading Scale:

90 - 100	A
80 - 89	B
70 - 79	C
60 - 69	D
Below 60	F

Topic

- 1 Financial Markets Institutions: Financial Crisis
- 2 The Determinants of Interest Rates
- 3 Managing Interest Rate Risk: Duration
- 4 Financial Futures and Interest Rate Swaps
- 5 Hedging Technique for Financial Institutions
- 6 Use of Exotic Options and Financial Futures
- 7 Interest Rate and Foreign Currency Futures
- 8 Asset and Liability Management
- 9 New Instruments: CMO, GIC, SUPER CD etc
- 10 Bank Mergers and Acquisitions
- 11 International Banking: BIS and Basel II & III
- 12 Credit Option, Credit SWAP
- 13 VAR(Value-At-Risk), EVA(Economic Value Added) MVA
- 14 Arbitrage Operation in Financial Institutions

