

HSB-Short Term Study Program 2022

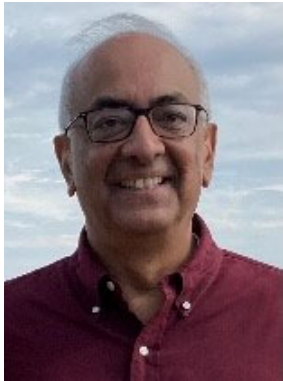
a transatlantic joint project of the HSB-School of International Business and its partner universities in the U.S.A.

FINANCIAL INSTITUTIONS MANAGEMENT

Course dates: 12 June – 30 June 2022

Credit hours: 3 credit hours - US

Syllabus

Instructor:	Professor Dr. Anoop Rai	
	Frank G. Zarb School of Business Hofstra University New York	
	Professor of Finance	
Email: Anoop.Rai@Hofstra.edu		

Schedule: Monday-Thursday 9.30 h – 12.45 h

HSB-SHORT TERM STUDY PROGRAM

Hochschule Bremen - Werderstraße 73 - 28199 Bremen - Germany

Phone: +49-(0)421-59054163

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Course Description:

Financial theory and analysis as they apply to the management of financial intermediaries, with special emphasis to the banking firm. In-depth study of the types of risks faced by financial institutions and analysis of the asset-liability and risk management techniques employed by managers to achieve their risk-return objectives. Examination of the impact of regulation, information technology and globalization on the management of banking institutions as well as ethical issues in the conduct of financial intermediation. The course will use a bank simulation, ProBanker, to provide an experiential learning experience by making teams run a bank in a simulated competitive and regulated environment.

READING SOURCES

- Textbooks:
 - Principles of Bank Management: by Mark Flood and Anoop Rai.
 - ProBanker Simulation by Flannery, Flood and Rai. This simulation game will be activated during the first class.
- Recommended Readings: Financial Times and Wall Street Journal. Required daily reading to ensure that the appropriate connections are made between materials covered in class and the current business and economic developments.

METHODS OF EVALUATING STUDENTS

- Grading Policy:

Mid-Term Exam	30%
ProBanker Simulation	35%
Game performance	15%
Assignments	20%
Final Presentation	25%
Class presentation	<u>10%</u>
TOTAL	<u>100%</u>

- **ProBanker**

ProBanker is competitive simulation game designed to enhance a student’s understanding of the financial aspects of managing a financial institution. ProBanker’s major decision areas include asset and liability pricing, bond portfolio management, liability management, capital structure and credit quality. It is firmly grounded in sound financial and microeconomic principles and the simulated environment, although complex and realistic, is sufficiently stylized to be readily understood.

Students use balance sheet and income information about their own and their competitors’ firms to infer the magnitude of their prior decisions and competitive responses, provide regular quarterly inputs as a team, and learn by experience the nuances in term structure forecasting, interest rate risk measurement, liquidity management and balance sheet management.

Overall, the game should be a fun addition that will substantially enhance the principles and tools learnt for this class.

TENTATIVE SCHEDULE

The following outline may be modified depending on the progress of the class or if the instructor decides that some other material or topic may be more relevant.

Day	Topic	Readings
1	Financial Intermediation Introduction to ProBanker	Chapters 1 and 2
2	Assets and Liabilities of a Commercial Bank ProBanker Assignments 1 and 2	Chapters 3 and 4
3	Off-Balance Sheet and Measuring Bank Performance ProBanker Assignments 3 and 4	Chapters 5 and 6
4	<u>Quiz 1</u> Beginning of class (2 hours) ProBanker Decisions: Quarter 1 and 2 of RUN 1	
5	Managing Credit Risk and Bank Capital ProBanker Decisions: Quarter 3 and 4	Chapters 7 and 8
6	Managing Interest Rate Risk ProBanker Decisions: Quarter 1 and 2 of RUN 2	Chapters 9 and 10
7	Regulating the Banking System ProBanker Decisions: Quarter 3 and 4	Chapter 11
8	<u>Quiz 2</u> Beginning of class (2 hours) ProBanker Decisions: Quarter 5 and 6	
9	ProBanker Performance report – Team Presentation	

Grading System:

German Grade	1,0 – 1,5	1,6 – 1,9	2,0 - 2,2	2,3 – 2,5	2,6 – 3,2	3,3 - 3,5	3,6 – 4,0	>4,0
US Grade	A	A-	B+	B	B-	C+	C	F
Qualifier	Excellent	Good			Satisfactory		Sufficient	Failing
Percentage	100-90 %		89-80 %			79-70 %		<70 %

- The program may be subject to change -

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