

# Syllabus

## Banking and Financial Institutions

- **Instructor:** Laszlo Haas (see last page for bio sketch)  
Email: [haasl@ceu.edu](mailto:haasl@ceu.edu)  
Office hours: by appointment
- **Credits:** 2 (4 ECTS)
- **Term:** Fall 2017-2018
- **Course level:** MA/MSc/MBA
- **Prerequisites:** Finance

### Course description

This course focuses on financial intermediary institutions, including banks, investment banks and institutional investors. The functions and purposes of such institutions are analyzed. Their role in the Global Financial Crisis is a special area of interest. Among the topics addressed are banking regulation, capital adequacy, off-balance-sheet baking, and international banking. We also discuss the different principles for pension coverage and the financial risks to pension funds and to their members.

### Learning outcomes

Core Learning Area	Learning Outcome
Interpersonal Communication Skills	Participate in class discussions and problem solving exercises. Present arguments and findings. Objectively critique findings of fellow students.
Technology Skills	Use of MS Excel tools in problem solving.
Cultural Sensitivity and Diversity	Harness international and professional diversity of students in viewing issues and problems from different perspectives.
Quantitative Reasoning	Learn theories, models, quantitative methods and their applications.
Critical Thinking	Exercise the powers of inquiry, logical thinking and critical analysis. Question the applicability of conventional prescriptions, as well as the impact of non-quantitative information.
Ethics and Social Responsibility	Evaluate and discuss challenges related to ethical and professional behavior in financial intermediaries and markets.
Management Knowledge and Skills	Acquire a fundamental understanding of banking and financial institutions. Examples and case studies will be used.

### Reading list

Course materials such as lecture slides, preparation sheets, case studies and other readings will be posted in advance on the Moodle e-learning system.

There is no required textbook. Recommended texts:

- Casu, Girardone and Molyneux, *Introduction to Banking*, 2nd ed., Pearson 2015.
- Mishkin and Eakins, *Financial Markets and Institutions*, 8th ed., Pearson, 2015.
- Simpson, *Financial Markets, Banking, and Monetary Policy*, Wiley, 2014.

The CEU Library boasts a range of databases covering financial and company data, market and industry reports, global news and more. For a full list of databases visit the CEU Library at <http://library.ceu.edu>.

#### Thomson Reuters Eikon for Students + Datastream/Thomson ONE

- Eikon: Platform used by finance practitioners including market traders to monitor and analyze financial information. Information, analytics and news on all major financial markets including real-time pricing data, financial research, global financial news and commentary, financial estimates, fundamentals analysis, visual analysis through charting. Import/export from Excel.
- Datastream: Range of time series economic, securities and company financial data. Excel add-in.
- Thomson ONE: Global overviews on 55,000 public companies, one million private companies. Reuters News, ownership, deals, private equity, key ratios, company filings, officers and directors. Investext analyst reports, active and historical research from 1,600 independent research firms, brokerages, investment banks.

#### Standard & Poor's Capital IQ

- Web and Excel-based platform combining deep global company information, credit ratings and research, and market research with powerful tools for risk assessments. Real-time and historical information on markets, industries, companies, transactions and people. Tearsheet data.

#### Lexis Nexis Academic

- Global database of news, business, legal and other sources. Full text of over 350 newspapers, 300 magazines and journals, 600 newsletters. Wire services including Associated Press, Business Wire and PR Newswire. Company financial information, market research, industry reports.

### **Assessment**

Grading will be based on the total score out of 100, in line with CEU's standard grading guidelines.

- Group project (40%)
- Class participation and problem solving (20%)
- Final exam (40%).

#### ***Group project***

Students will be asked to form groups of 4-5, and analyze a systematically important bank along the broad topics discussed in class. Details will be formally announced and discussed in the first lecture.

#### ***Class participation and problem solving***

Class participation includes attendance, attitude, and volunteered and cold call responses. All reading assignments should be completed PRIOR to the class we cover them in.

The case method is often uncomfortable to students given the inherent uncertainty of having to make choices with limited information at hand. Please note that there are often no "right" answers.

#### ***Final exam***

There will be ONE closed-book final exam, to be held in the final lecture. The exam will be a one-hour paper with multiple choice or open-ended essay questions.

## **Course schedule and materials for each session**

1. Introduction to financial intermediation (2 sessions)
  - The role of financial systems
  - Financial intermediaries, securities and markets
  - Taxonomy of financial institutions
  - Nature of financial claims
  - Structure of financial markets
2. Central banking and bank regulation (1 session)
  - Theory and practice of central banking
  - Bank regulation and supervision
  - Bank failures and banking crises
3. Issues in bank management (3 sessions)
  - Banks' balance sheet and income structure
  - Bank financial management
  - Banking risks
  - Bank risk management
4. Pension funds and insurance companies (1 session)
  - Pension systems and reforms
  - Pension funds
  - Insurance companies
5. Investment funds (2 session)
  - Mutual funds
  - Hedge funds
  - Venture capital and private equity funds
6. The Global Financial Crisis (1 session)
  - Securitization and the subprime crisis
  - The European sovereign debt crisis
7. Group Presentations and Review (1 session)
8. Final Exam (1 session)

The course outline is subject to changes either before or during class at the discretion of the instructor.

## **Brief bio of the instructor**

Laszlo Haas is Visiting Professor at the Department of Economics and Business. He is Head of Capital and Debt Advisory services at EY Hungary, and Financial Services Industry Leader at EY Transaction Advisory Services, Hungary. Prior to joining EY, he spent 20 years in banking, among others as CEO of BNP Paribas Hungaria Bank, CEO of Kvantum Investment Bank and Managing Director of Investments in K&H Bank. He represented Hungary for two years on the Board of the European Venture Capital and Private Equity Association. Laszlo was also Head of Banking and Capital Market Trainings at KPMG Academy.