



# Sam Houston State University

DEPARTMENT OF GENERAL BUSINESS AND FINANCE  
**SYLLABUS – FINC 5338 FALL 2017**

**COURSE TITLE:** Selected Topics: Bank Risk Management  
**INSTRUCTOR:** Dr. Mary Funck  
**OFFICE:** SHB 206H  
**E-MAIL:** mcf012@shsu.edu  
**PHONE:** (936) 294-1277

**OFFICE HOURS:** Monday 11:30 – 12:15 and 3:30 – 4:15, Wednesday 10:00 – 12:15; Tuesday & Thursday 9:00 – 11:30, and other times by appointment. During these times, I will be available via virtual office, email, and phone.

**TEXTBOOK:** Saunders & Cornett, *Financial Markets and Institutions* 6<sup>th</sup> Edition. McGraw-Hill, 2015. ISBN: 978-0-07-786166-7. Quantitative problems during lectures and exams will require that students have access to Microsoft Excel.

**DESCRIPTION OF COURSE:** This survey course first explores financial institutions then examines the various risk factors faced by financial institutions. Several techniques for quantifying risk factors are discussed, followed by an overview of approaches to managing such risks.

**COURSE OBJECTIVES:** Through this course, you will (1) strengthen your knowledge of how financial institutions operate; (2) be exposed to various principles, problems, practices, regulations, and analysis associated with financial institution capital, asset, liability, and liquidity management; and (3) become familiar with financial decision-making skills in the area of credit, portfolio, liquidity, and operational risk management.

**COURSE DESIGN:** The course will utilize lectures, class discussion, problem analysis, research, and web-based assignments delivered via SHSU Online (Blackboard).

**COURSE EVALUATION PROCESS:**

Your final grade is calculated with a weighted average, as specified as follows:

A	$\geq 90$
B	$\geq 80 < 90$
C	$\geq 70 < 80$
F	$< 70$

Activity	Distribution
Quizzes	15%
Research / Data Activities	15%
Assignments	20%
Exam Average	50%

**QUIZZES:** The quizzes will be online in a multiple choice format; the questions for which will focus on the qualitative aspects of the course. There will be approximately 9 quizzes during the semester, with each quiz worth 10 points.

**RESEARCH/DATA ACTIVITIES:** The research section will involve completing activities associated with scholarly articles and utilizing external data. There will be at least one research/data activity for each of the three sections of the course.

**ASSIGNMENTS:** The assignments will involve longer, mainly quantitative, problem sets similar to the problems found in the textbook and reviewed in the PowerPoint slides and videos. There will be 8 – 10 assignments throughout the semester, with each assignment worth 10 – 15 points.

**EXAMS:** Exams will be primarily analytical problems along with qualitative discussion, multiple-choice, true-false, and matching questions. There will be three exams; approximate exam due dates and coverage are as follows:

Exam	Text Chapters	Tentative Due Date
1	1, 11, 12, 13, 19	Monday, September 18
2	20, 21, 3, 22, 9	Monday, October 30
3	10, 23, 7, 24, 22	Monday, December 4

- Course coverage will also include supplementary material outside of chapters listed above.
- Please refer to the course schedule and course guidelines for additional information regarding topic coverage and due date.

## **POLICIES:**

**ACADEMIC DISHONESTY:** All SHSU policies will be strictly enforced. For a complete listing of the university policy, see the guidelines at [www.shsu.edu/academics/syllabus-guidelines/index.html](http://www.shsu.edu/academics/syllabus-guidelines/index.html).

**STUDENT ABSENCES ON RELIGIOUS HOLY DAYS POLICY:** All SHSU policies will be followed. You may review the guidelines at [www.shsu.edu/academics/syllabus-guidelines/index.html](http://www.shsu.edu/academics/syllabus-guidelines/index.html).

**STUDENTS WITH DISABILITIES POLICY:** All SHSU policies will be followed. You may review the guidelines at [www.shsu.edu/academics/syllabus-guidelines/index.html](http://www.shsu.edu/academics/syllabus-guidelines/index.html).

FINC 5338 (MBA online)  
Fall 2017  
Course Outline

Exam 1			
		Assignments	Quizzes
Chapter 1	Why study financial institutions Overview of Financial Institutions	Intro video	
Supplement	Excel primer	(A1) Excel Assignment	
Chapter 11	Commercial Banks: Industry Overview		
Chapter 12	Commercial Bank Financial Statement Analysis		
Chapter 13	Regulation of Commercial Banks		(Q1) Chaps 11 - 13
Chapter 19	Types of Risk incurred by Financial Institutions (Overview)	(A2) Chaps 11 – 13, 19	(Q2) Chap 19
Research Activity 1			
Exam 2			
Chapter 20	Managing Credit risk on the balance sheet (& Credit packet from Dr. Bexley)	(A3) Chapter 20	(Q3) Chapter 20
Chapter 21	Managing Liquidity risk on the balance sheet	(A4) Chapter 21	(Q4) Chapter 21
Chapter 3	Impact of interest rate changes on security prices; Duration and immunization		
Chapter 22	Managing interest rate risk on the balance sheet	(A5) Chapters 3 & 22	(Q5) Chapters 3 & 22
Chapter 9	Foreign exchange markets		
Supplement	Foreign exchange risk	(A6) Chapter 9 & Supplement	(Q6) Chapter 9 & Supplement
Research Activity 2			
Exam 3			
Chapter 10	Derivatives securities markets		
Chapter 23	Managing risk off the balance sheet with derivative securities	(A7) Chapters 10 & 23	(Q7) Chapters 10 & 23
Chapter 7	Mortgage markets		
Chapter 24	Managing risk off the balance sheet with loan sales and securitization	(A8) Chapters 7 & 24	(Q8) Chapters 7 & 24
Chapter 22 & Supplement	Insolvency risk & Capital Adequacy	(A9) Chapter 22 & Supplement	(Q9) Chapter 22 & Supplement
Supplement & Appendix	Financial Crisis		
Research Activity 3			

**Course Schedule Fall 2017**  
**FINC 5338 Selected Topics: Bank Risk Management**

Week	Month	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	August	20	21	22	1st Day of Class	23	24	25
2	August September	27	Intro Video Due (p.m.)	28	29	Excel Assign Due (p.m.)	30	31
3		3	Labor Day	4	5	Assign 1 Due (p.m.) Quiz 1 Due (p.m.)	6	7
4		10		11	12	Assign 2 Due (p.m.) Quiz 2 Due (p.m.)	13	14
5		17	Exam 1 Due (p.m.)	18	19	Data/Research Activity 1 Due	20	21
6		24		25	26	27	28	29
7	October	1		2	3	Assign 3 Due (p.m.) Quiz 3 Due (p.m.)	4	5
8		8		9	10	Assign 4 Due (p.m.) Quiz 4 Due (p.m.)	11	12
9		15		16	17	Assign 5 Due (p.m.) Quiz 5 Due (p.m.)	18	19
10		22		23	24	Assign 6 Due (p.m.) Quiz 6 Due (p.m.)	25	26
11	October November	29	Exam 2 Due (p.m.)	30	31	Data/Research Activity 2 Due	1	2
12		5		6	7	Assign 7 Due (p.m.) Quiz 7 Due (p.m.)	8	9
13		12		13	14	Assign 8 Due (p.m.) Quiz 8 Due (p.m.)	15	16
14		19		20	21	22		23
15	November December	26		27	28	Assign 9 Due (p.m.) Quiz 9 Due (p.m.)	29	30
16	Finals Week	3	Exam 3 Due (p.m.)	4	5	Data/Research Activity 3 Due	6	7
17		10	Grades Due 12:00	11	12	13	14	15

Friday, September 8, 12th class day, is the last day to drop without a "Q" and receive 100% refund. Report attendance.

Friday, November 10 is the last day to drop full-term courses with a "Q"

Grades are Monday, Due December 11 at noon