

## ***Banking and Finance***

### **1. MODULE SUMMARY**

#### **Aims and Summary**

The course aims at outlining the key components of financial business environment, specifically:

- historical development and emergence of banking;
- bank functions, importance and types of risk in banking activities;
- overall characteristics of monetary policy and functions of central banks;
- government's role in contemporary economy and society, as expressed by public finance.

#### **Module Size and credits**

<b>ECTS points</b>	5
<b>Total student study hours</b>	125
<b>Number of weeks</b>	12
<b>School responsible</b>	Łazarski University, Faculty of Economics and Management
<b>Academic Year</b>	2021/2022

**Entry Requirements (pre-requisites and co-requisites)** n/a

**Excluded Combinations** n/a

#### **Composition of module mark (including weighting of components)**

Coursework (40%) Final

Exam (60%):

#### **Pass requirements**

To pass the course a student must score at least 40% of the overall weighted average and not less than 35% for each assessment component. Re-assessment: coursework component(s) and/or examination as appropriate. **Special Features** n/a

#### **Course stages for which this module is mandatory**

BA in Business Economics, Year 3

**Course stages for which this module is a core option** n/a

## **2. TEACHING, LEARNING AND ASSESSMENT**

### **Intended Module Learning Outcomes**

On completion of this module a student should be able to:

1. Evaluate functions of central as well as commercial banks;
2. Analyse the overall characteristics of monetary policy;
3. Appraise main sources of banking risk and evaluate approaches to risk management;
4. Evaluate the role of the public sector and its role in contemporary society and economy;

### **Indicative Content**

1. Money – nature, origins and functions. The history of money development. Concept of liquidity. Functions of money.
2. Fundamentals of the theory of finance. Definition of finance. Classification of financial phenomena – the criteria of classification, object-based and subject-based classification of financial phenomena. Functions of finance (allocation, redistribution, stabilization).
3. Definition and roles of banks. The banking system. Investment vs. universal banks. Supervision over banks' activities. Modern trends in the evolution of banking. Money creation in the banking system. Development of central banks. Functions of central banks. Issue of currency. Monetary policy of the central bank. Objectives of monetary policy. Instruments of monetary policy. Mechanisms for transmitting the monetary policy impulses.
4. Nature and types of banking risk. Causes of risk in banking activities. General principles of risk management. Risk of liquidity (theoretical principles of retaining liquidity, measuring risk of liquidity, current and structural liquidity, managing liquidity). Credit-related risk (assessing individual credit-related risk, managing a portfolio of credits). Country-related risk. Operational risk (causes and ways of quantifying the interest rate risk). Interest rate risk. Currency risk (types of exchange rates, quantifying and managing currency risk).
5. Public finance – overview. Group and individual needs. Public, social and private goods.
6. Public incomes – tax: definition, types, and principles. Public expenditures.
7. State budget. The nature and role of a budget. Principles of budgeting. Budget deficit, public debt.

## Teaching and Learning

This module will be taught by means of discussion classes, lectures and self-guided study.

Student activity and time spent on each activity comprises:

<b>Guided</b>	0 hours	(0%)
<b>Lecture</b>	30 hours	(24%)
<b>Self-guided</b>	80 hours	(64%)
<b>Seminar</b>	15 hours	(18%)
<b>Workshop</b>	0 hours	(0%)
<b>Total</b>	100 hours	

## Method of Assessment (normally assessed as follows)

The intended learning outcomes will be assessed as follows:

- Coursework (mid-term exam), 40%, serves the purpose of verifying learning outcomes 1, 2 and 3.
- Final exam, 60%, serves the purpose of verifying all learning outcomes.

## Re-sit

Students failing any component of assessment, at the first attempt, are entitled to one re-sit attempt. This will be by new examination and/or new coursework scheduled for the next assessment opportunity. For coursework, if more than one element existed in the first attempt, this may be combined into one assessment for re-sit.

## Date of last amendment

30-01-2017

## 3. MODULE RESOURCES

### Essential Reading

- Ball, L., 2011. Money, Banking and Financial Markets, 2nd ed., Worth Publishers.

### Recommended Reading

- Davies, G. "A History of Money", 3rd ed.) University of Wales Press, 2010.

- Peterson Drake, P., Fabozzi, F.J., "The Basics of Finance", John Wiley & Sons, 2010.

**Required Equipment** n/a

#### **4. MODULE ORGANISATION**

##### **Module leader**

**Name** Dr. Tomasz Napiórkowski

**E-mail** napiorkowski.tomasz@gmail.com

##### **Length and month of examination**

120 minutes in January

##### **Expected teaching timetable slots**

No timetable information available. Timetable information should be verified with the School responsible for the module.

##### **Subject Quality and Approval information**

**Board of Study** Faculty Collaborative Provision Committee

**Subject Assessment Board Shortened title** Faculty Council, Faculty of Economics and Management

**Date of approval by FCPC** 13 Feb 2017