

**MN4223 – INTERNATIONAL BANKING**

**MODULE TYPE/SEMESTER:** Senior Honours/**Option** (20 Credits)/Semester 2

**PRE-REQUISITE(S):** MN2001 and MN2002

**MODULE CO-ORDINATOR:** Professor John Wilson

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**AIM:**

Banks and other financial institutions operate on a domestic and (often) a cross-border basis. They engage in various forms of size, maturity and risk transformation functions to provide products and services to households, small and medium sized enterprises and large corporations. Moreover, they buy and sell investments, diversify risks and advance credit for trade and investment projects. Banks and financial institutions play a crucial role in the global economy. Their importance stems from financial and economic developments; changing patterns of demand for finance; and new technologies (product and process innovations) and management techniques. Given their importance to the financial system and the real economy banks and other financial institutions are subject to regulation and supervisory oversight, especially in periods following crisis events.

**METHOD OF TEACHING & LEARNING:**

- Group and Independent Study
- Seminars
- Lectures

**LEARNING OUTCOMES:**

By the end of the module, students should be able to:

- Understand the role and functions of banks and financial institutions and how these have evolved over time
- Appreciate the importance of banking for macroeconomic outcomes.
- Discuss how external forces, including internationalisation, technological change and regulation influence the shape and configuration of the banking industry.
- Understand the forms and relative merits of regulation and supervision.
- Appreciate the causes and consequences of banking crises.
- Assess the evolution of the banking industry in the US, Europe, and Japan

- Analyse, measure and understand approaches to competition in banking.
- Conduct research into issues related to the banking industry.
- Appreciate selected contemporary issues facing the banking industry.
- Utilise quantitative skills in the analysis of banking data.
- Develop critical thinking.
- Effective problem solving.
- Effective communication through written and oral contributions.

#### **INDICATIVE TOPIC OUTLINE:**

Lecture Topics:

##### **Part 1: International Banking Activities and Markets**

- Topic 1: Overview of Banking
- Topic 2: introduction to International Banking
- Topic 3: International Bank Markets and Activities
- Topic 4: Banking structures around the world

##### **Part 2: Issues in Bank Regulation; Banking crises and financial stability**

- Topic 5: Bank Regulation and supervision
- Topic 6: Banking crises

##### **Part 3: Banks and the Real Economy**

- Topic 7: Banks and the real economy

##### **Part 4: Industrial Organization of Banking**

- Topic 8: Competition, risk and performance in banking

#### **ASSESSMENT:**

##### ***Formative:***

###### *Individual Essay*

- Written assignment of around 2000 words, which will count for 20% of final grade. The coursework assessment aims to extend and integrate the material covered in lectures and seminars, and encourages students to utilise academic and practical research in International Banking.

###### *Group Presentation*

- There will also be a 15-minute group presentation, which will count for 10% of the final mark. The group presentation takes place during seminars from which a three-page single spaced handout document along with further reading references should be produced.

##### ***Summative:***

- Two-hour in-person written examination, which will count toward 70% of final assessment. The examination tests all round knowledge under time constrained conditions.

### CORE READING LIST:

There is no single textbook which covers the course. However, some useful references are listed below. The reading will draw on a variety of sources including textbooks, monographs and academic journals.

Of the more common textbooks the following will be referred to:

- Berger, A., Molyneux, P. and Wilson, J.O.S. (2010) *Oxford Handbook of Banking*, Oxford: Oxford University Press.
- Berger, A., Molyneux, P. and Wilson, J.O.S. (2015) *Oxford Handbook of Banking*, 2<sup>nd</sup> edition. Oxford: Oxford University Press.
- Berger, A., Molyneux, P. and Wilson, J.O.S. (2019) *Oxford Handbook of Banking*, 3<sup>rd</sup> edition. Oxford: Oxford University Press.
- Casu, B., Girardone, C., and Molyneux, P. (2015) *Introduction to Banking*. 2<sup>nd</sup> Edition. FT: Prentice Hall.
- Goddard, J. and Wilson, J.O.S. (2017) *Banking: A Very Short introduction*. Oxford: Oxford University Press.
- Greenbaum, S., Thakor, A. and Boot, A. (2016) *Contemporary Financial Intermediation*, 3<sup>rd</sup> edition. Amsterdam: Elsevier.
- Heffernan, S. (2004) *Modern Banking in Theory and Practice*. 2<sup>nd</sup> edition. Chichester: John Wiley.
- Matthews, K. and Thompson, J. (2008) *Economics of Banking*. John Wiley.

These basic sources will be supplemented with other references in lecture handouts. It is also important you keep up to date with industry and policy developments. Reading the Economist and FT on a regular basis will help with this.

Organisation of courses may be subject to change without notice.