MN4223 – INTERNATIONAL BANKING

MODULE TYPE/SEMESTER: Honours/Option (20 Credits)/Semester 2
PRE-REQUISITE(S): MN2001 and MN2002
MODULE CO-ORDINATOR: Professor John Wilson
CONTACT DETAILS: jsw7@st-andrews.ac.uk
01334 46(2803)

AIM:
International banks operate on a cross-border basis. They buy and sell foreign exchange, diversify international risks and advance credit for trade and investment projects. International banks 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 and management techniques. International banks are important to multinational firms requiring global financial services. International banks also bring new technologies and management skills to countries whose financial systems are relatively underdeveloped. Overall, this course aims to give students a good grounding in the theory and practice of modern international banking and an appreciation of the related policy issues.

METHOD OF TEACHING & LEARNING:
• Group and Independent Study
• Seminars
• Lectures

LEARNING OUTCOMES:
By the end of the module, students should be able to:
• Examine the characteristics of international banking and the external environment in which international banks operate.
• Appreciate the importance of financial development for economic growth, role of organisations such as the World Bank and IMF, and the causes and effects of international financial crises.
• Examine contemporary issues (such as technological change), and how these issues are affecting not only the ways in which banks do business.
• Be able to identify and analyse the scope of international banks external environment, and how decisions are taken within this environment.
• Conduct research into issues related to 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 Financial Intermediation and bank management
  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
  Topic 7: Financial development and economic growth

Part 3: Industrial Organization of Banking
  Topic 8: Economics of payment card markets
  Topic 9: Competition, risk and performance in banking

ASSESSMENT:
Formative:
• Written assignment of around 2500 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. There will also be a group presentation from which a two-page single spaced handout document will count for 10% of the final mark.

Summative:
• Two-hour 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:

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.