

## FIN 532 EMBA SYLLABUS 2007

COURSE NUMBER: FIN 532 (EMBA Web-based)

COURSE TITLE: Seminar in Commercial Banking

INSTRUCTOR: James B. Bexley, Chair, Smith-Hutson Endowed Chair of Banking

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OFFICE HOURS: Tu & Th 8:00 a.m. to 11:00 a.m., Mon 5:30 p.m. to 6:00 p.m.  
Other times by appointment

REQUIRED TEXT: *Bank Management. 6th Edition*, by Timothy W. Koch & S. Scott MacDonald, and a Supplemental Banking Handbook by James B. Bexley

PREREQUISITES: Graduate Standing and Registration for EMBA Program

DESCRIPTION OF COURSE: Operation of commercial banks, trust companies, Federal Reserve Banks, and other credit institutions. Special attention is given to recent bank legislation. Cases will be used to amplify text materials, and cases will be designed by the students to allow them to better understand operational aspects of banking.

OBJECTIVES: The major objectives of this course are:

1. To develop an understanding of the current developments within commercial banking and evaluate the impact of those developments on the future viability of the banking industry.
2. To examine the impact of financial service industry consolidation as a result of the removal of the Glass-Steagall Act which formerly separated banking from insurance and securities activities.
3. To review and evaluate case studies of specific banks, analyzing factors that impact commercial banking.
4. To analyze the functions within commercial banks and evaluate how they contribute to the bank's ability to serve their customer base.

5. To examine portfolio risks in the credit, securities, and general banking areas.
6. To study the theory of bank capital management and regulation.
7. To analyze the impact of regulation, deposit insurance and ethics on banking.
8. Evaluate financial innovation, information technology and corporate restructuring in the commercial banking industry.

**CLASS MEETINGS:** Classroom SH-106 (Banking Center) on Monday, Wednesday, and Friday **8:00 am to 11:50 am.** for two weeks with the first in residence meeting on Monday, August 6, 2007 and the last in residence session being August 17, 2007.

**WEB-BASED SESSIONS:** Nine specific assignments will be required of the student who will either prepare the material individually or in the assignment of a group case collectively with other students and submit the materials for grading and evaluation. The final examination will be transmitted to the student by the instructor no later than November 30th for completion and submission for grading by Saturday, December 8, 2007.

**TEACHING METHOD:** The teaching methods utilized will be lecture, class discussion, problem analysis, case study, case design, class research, and web-based exercises conducted through Blackboard. To introduce an element of practicality into the learning experience, students will be given research projects involving active bank topics. Students will not only find solutions to case studies, but will also design a case relating to a relevant bank area. Students will be allowed to select topics, subject to approval of the professor. A written paper and an oral presentation will be required of each student.

**COURSE EVALUATION PROCESS:** There will be one unit examination and a final examination. In addition there will be outside chapter assignments, cases, a case to design, and a research paper. Grade weighting will be as follows:

Examination #1	100 points
Chapter Question Assignments	100 points
Cases	200 points
Case Design	300 points
Research Paper	200 points
Final Examination	100 points

Course grades are determined by applying the following scale to a student's weighted average:

900 points and above	A
800 to 899 points	B
700 to 799 points	C
Below 700 points	F

**EXAMINATIONS:** Examinations are designed to test the student's understanding of facts, concepts, and problem-solving methods. They are not designed to test the ability to memorize. The ability to perform well on examinations will require substantial reading of the text and answering the questions at the end of each chapter or handout. The unit exam will be given over the materials covered in residence. The final exam will be a case study exam over all material covered in the web-study portion of the course.

**ASSIGNMENT COMPLETION/TURN-IN: Assignments must be turned-in by the date due listed on the syllabus. No late assignments will be accepted for credit.**

**ATTENDANCE:** Regular class attendance during the residency period is absolutely necessary to do well in the class and attendance will be recorded during each class period.

**READING:** The nature of the course necessitates that the chapters from the text and other assigned materials be read prior to coming to class

**POWER POINT SLIDES:** You can access the Power Point presentations on the chapter at <http://koch.swcollege.com> and the Power Point presentations from my handbook will be available on Blackboard.

**WEB ASSIGNMENTS:** Two cases will be assigned for student to prepare on their own (not groups like first case) to evaluate and prepare a written commentary (the two cases are in the handbook.) Solutions to assigned end of chapter questions will be submitted. Additionally, each student will design a case that deals with a banking issue covered in the course. The case will be presented in narrative (Word) format and a Powerpoint presentation will be prepared. Assignments will be transmitted to the instructor by e-mail.

**RESEARCH PROJECT:** Each student will be required to turn-in a twenty-page research paper. Topics are attached hereto. The paper must be typed using 12-pt font in Times or Times Roman type, double-spaced with 1-inch margins on all sides. See handouts for specific information.

**HANDICAPPED STUDENT POLICY:** It is the policy of Sam Houston State University that no otherwise qualified disabled individual shall, solely by reason of his/her handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any academic, Student Life program, or activity. Handicapped students may request academic assistance when needed from a Committee for Continuing Academic Assistance for Disabled Students by visiting the Director of the Counseling Center in the Lee Drain Building Annex, or by calling 294-1720.

TENTATIVE SCHEDULE: Set out below is a tentative schedule that is subject to change:

DATESSUBJECTIn Residence

Aug. 6th	Introduction to Course, Future of Banking, Case Study Methods, Assign Case 1 & Chapter 1 “The Changing Banking Environment”
Aug. 8th	<b>Present Group Case #1 &amp; Selection of Research Topics</b>
Aug. 10th	Chapter 2 “Analyzing Bank Performance” & (Handbook) “Corporate Governance,”
Aug. 13th	(Handbook) “Strategic Planning.” Chapter 3 “Managing Noninterest Income and Noninterest Expense” & Chapter 9 “The Effective Use of Capital”
Aug. 15th	Chapter 10 “Overview of Credit Policy & Loan Characteristics.” & Chapter 11 “Evaluating Commercial Loan Requests”
Aug. 17th	Chapter 12 “Evaluating Consumer Loans,” and <b>Hour Examination #1 (All Previous Materials)</b>

Web Study

Assignment #1- Case #2 **Due Date of August 27, 2007**

Assignment #2-Chapter 4 “Pricing Fixed-Income Securities” Answer Questions #1, 2, 3, 9, 15, 16, & 19.

**Due Date of September 4, 2007**

Assignment #3- Chapter 5 “Managing Interest Rate Risk: GAP and Earnings Sensitivity” Answer Questions #1, 2, 5, 6, 9, 10, & 12. **Due Date of September 17, 2007**

Assignment #4- Abstract Due on Research Paper **Due Date of October 1, 2007**

Assignment #5- Case #3 **Due Date of October 15, 2007**

Assignment #6- Completed Research Paper **Due Date of November 5, 2007**

Assignment #7- Chapter 8 “Funding the Bank and Managing Liquidity” Answer Questions #1, 2, 4, 6, 9, 15, 17, & 19. **Due Date of November 12, 2007**

Assignment #8- Created Case Due **Due Date of November 19, 2007**

Assignment #9- Chapter 14 “Global Banking Activities” Answer Questions #1, 3, 6, 7, 9, & 12. **Due Date of December 3, 2007**

Assignment #10- Final Examination **Due Date of December 8, 2007**

**RESEARCH PAPER/PRESENTATION INSTRUCTIONS  
FALL 2007**

**Paper Format**

1. The paper must be approximately 20 pages, double-spaced, using 12 pt Times or Times Roman Font in Word Format.
2. Margins should be 1 inch on all sides.
3. The paper must contain a 100-word or less abstract, introduction, literature review, body, analysis/discussion, summary or conclusion, references and appendix (if any).
4. Cite authors where appropriate. All direct quotes must have page number(s).
5. Any acceptable style of call reference is fine, but must be consistent.
6. Do not use footnotes or endnotes.
7. Any figures and tables should be incorporated in paper (use Excel for tables not word).
8. Most references should come from books, trade journals, and academic journals (e.g. Journal of Finance, Journal of Commercial Banking and Finance).
9. You must turn-in copies of all articles pertaining to the paper that were used to write the paper.
10. Final paper must be turned-in by e-mail to [jbbexley@shsu.edu](mailto:jbbexley@shsu.edu)

**Due Dates**

1. October 1st—a 100-word abstract of the proposed paper is to be e-mailed.
2. November 5th—Research paper is to be turned in by e-mail.

**POSSIBLE TOPICS FOR RESEARCH PAPER  
FALL 2007**

1. The Importance of Strategic Planning in the Bank's Performance.
2. Risk Management As A Regulatory Tool.
3. The Role of Commercial Lending In Banking.
4. Asset/Liability Management in the Bank.
5. The Future of Community Banking.
6. The Relationship of Management and the Board of Directors in the Bank.
7. The Changing Role of Marketing in Banking.
8. Advantages of the Bank Holding Company.
9. Differences Between Credit Unions and Commercial Banks.
10. Methods of Efficiently Generating Funds To Loan To Bank Customers.
11. The Role That Capital Plays in the Functioning of the Bank.
12. Why Have Bank Mergers Become So Attractive?
13. Credit Analysis and Its Role In The Commercial Loan Approval Process.
14. What Banking Will Look Like in Five Years?
15. Using Focus Groups To Help Establish The Bank's Marketing Thrust.
16. The Importance of Customer Service In A Bank.

17. The Use of Unconventional Products In Banks
18. Fee Income's Impact On The "Bottom-line"
19. Has Credit Quality Diminished In Bank Lending?
20. How Banks Can Achieve High Performance Banking?
21. The Future of International Banking In a Global Economy
22. Risk Based Standards Utilized By Bank Examiners
23. How E-Commerce Will Impact Commercial Banking
24. How Banks Blend High Tech with High Touch
25. Will Community Banks Survive in Today's Highly Competitive Environment?
26. The Effect of Globalization on Commercial Banking

You may choose some other topic related to banking, but it requires the professor's prior approval.