

BANK MANAGEMENT I - FINANCE 537

Fall 2018, Monday 4:00 to 6:30, Farley 202

Professor: Dr. Ken B. Cyree
Office: 253 Holman Hall
Office Hrs.: 2:00-4:00 Monday, and by appointment (Contact Kathy Mikell at kmikell@bus.olemiss.edu for an appointment)
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Learning Objectives of the Course:

This course is the first in the Bank Management series, which are capstone courses for Banking and Finance majors. As such, it is application based, applying financial knowledge learned in all other courses to problems encountered in banking. The student will use financial concepts to explore financial institution management including asset, liability, and capital management and the risks involved for financial institutions. Students will learn about practical application of tools to real-world financial institution problems including exploring the banking industry's recent regulatory changes, valuing securities and loans, as well as risk identification and management. Students will be better prepared to take industry certification exams such as Series 3 (commodity trader), Series 6 (investment company product representative), Series 7 (broker/dealer/trader), or CFA/CFP exams.

Classes will be lecture and group discussion. In order to increase communication and critical thinking skills, participation is strongly encouraged.

Prerequisites

According to the catalog, students should have completed Finance 331 and Finance 338 with a C minimum. The student should have a solid and foundational understanding of basic finance. The student should also have a good grasp of accounting and algebra.

Required Text:

Bank Management, 8th Edition, Timothy Koch and Scott MacDonald, Thomson Southwestern Publishing Company, 2014.

Recommended Periodicals:

"The Wall Street Journal", other financial press (e.g. Businessweek, Money, Fortune, Barrons).

Attendance

Roll will only be taken the first two weeks for attendance verification purposes. However, it is prudent to attend each class to maximize learning and improve your quiz grades (see below).

Assignments:

There will be three equally weighted exams. The final is not "comprehensive" per se, but the course builds on prior work and therefore is comprehensive. The exams will be worth 25% each for a total of 75%. **Make-up exams will not be allowed except in rare cases. Please plan to be in**

attendance on exam day. Exams will be at the assigned time in the syllabus and cover the material covered up to that point in the semester. The topics on the test will be announced the period before the exam.

The remaining 25% of your grade will be quizzes. I will plan on a quiz every week, which in this case means every class. There may or may not be other assignments as needs dictate.

Quizzes and assignments: Quizzes are designed to check your progress on material up to that point. Quizzes will be unannounced, but I will strive to have one each class. If a quiz is missed, it may not be retaken, but will have to be dropped (see below). Quizzes are not collaborative nor are you allowed to use your notes.

Assignments, if there are any, should be turned in the beginning of the next class period unless otherwise stated. It is important for students to learn time-management and meet deadlines since these will be required on the job. Additionally, it is not fair for students to have differential time to complete assignments. Therefore, if assignments are late, there will be a penalty of 10 points for every 24-hour period it is late. Assignments will be given in class, or more likely on the web page (see website section below for details). Assignments should be your own work with no collaboration between classmates. Cases will have longer deadlines and you are allowed to work with classmates in the group of your choosing (it is up to you to police your colleagues and assign tasks). You may turn in one case with all group members listed.

You can drop your two lowest quizzes (not assignments or cases). You get two drops for any reason of your choosing. That is, I will drop the lowest two grades regardless of the circumstances. You only get two drops even if you miss more than two for “excused” reasons (e.g., late to class, car trouble, illness, death in the family, work, school activities, athletics, etc.). This means you have to manage your attendance and if you know you are going to miss more than two classes, you should either drop the class, or understand the missed quiz will impact your grade. Of course I recommend not missing any classes or quizzes and dropping those with lower grades to raise your quiz average.

Website: Check my website regularly, at least once prior to each class. I will try to have readings and assignments posted no later than 5:00 PM on Friday before the next class. I will not hold you responsible if I fail to get a reading posted on time. I will hold you responsible for waiting until the last minute to do get the assignment and then experiencing difficulty (e.g., printer error, etc.).

Incompletes: A grade of incomplete will not be granted except for the most extreme circumstances and only after stringent verification and approval by the department. A grade of incomplete will be granted only as a result of circumstances beyond the student’s control. A grade of “I” is not given in lieu of an “F”.

Statement of Academic Integrity: “The School of Business Administration upholds honor and academic integrity in all of its teaching, research, and service activities. All business faculty, staff, and students are charged with the responsibility to behave with personal and professional integrity and to refrain from dishonorable conduct.”

Accommodation for Disabilities

If you have a disability of some type, please bring me an Instructor Notification Form from the Student Disability Services office (www.olemiss.edu/depts/sds/) at least one week prior to the need for the accommodation. You will not be accommodated if you present the form on the day of a test.

Grades will be assigned based on the following scale (no +/- grading):

A	90-100
B	80-89
C	70-79
D	60-69
F	Below 60

Exams are not “curved” unless I made an error (e.g., I mistype a formula on the formula sheet). It is important to reward students for excellent preparation, thus when students earn an A, this grade should not be diminished by giving points to others who less prepared.

Graduate Students: Students enrolled in this course for graduate credit are required to write a term paper (pre-approved). Grading proportions will be adjusted for graduate students, providing for 20% for the term paper and decreasing examinations proportionately. See me for details.

Below are the topics in order of coverage. The exam will contain the material we cover up to the class period before the exam, and not the chapters listed, thus this is a guide and not absolute.

Chapter Outline

<i>Topic</i>	<i>Title</i>	<i>Pages</i>
Introduction	Syllabus review and Toolkit review	
Chapter 1	Banking and the Financial Services Industry	1-29
Chapter 2	Government Policies and Regulation	31-66
Chapter 3	Analyzing Bank Performance	67-157
Exam 1	Monday, Sept 24, 2018	
	Note that the last drop date is October 1, 2018.	
Chapter 4	Managing Noninterest Income and Noninterest Expense	159-187
Chapter 5	The Performance of Nontraditional Banking Companies	189-211
Chapter 6	Pricing Fixed Income Securities	213-240
Chapter 10	Funding the Bank	365-411
Oct. 20, 2017	Banking and Finance Symposium (11:00-3:00), Oxford Confer. Center	
Exam 2	Monday, October 29, 2018	
Chapter 11	Managing Liquidity	413-448
Chapter 12	The Effective Use of Capital	449-484
Chapter 13	Overview of Credit Policy and Loan Characteristics	485-525
Chapter 14	Evaluating Commercial Loan Requests	527-581
Chapter 15	Evaluating Consumer Loans	587-624
Exam 3 (Final)	Monday, Dec. 3 at 7:30 in the same room.	