

BANK MANAGEMENT II- FINANCE 538

Spring 2020
Monday 4:00-6:30

Professor: Dr. Ken B. Cyree
Office: 253 Holman
Office Hrs.: By appointment. E-mail Ms. Mikell at kmikell@bus.olemiss.edu to schedule.
Web Page: <http://faculty.bus.olemiss.edu/kcyree>
e-mail: kcyree@bus.olemiss.edu
Office Phone: 915-1103 office

Prerequisites

According to the catalog, students should have completed Finance 331, Finance 333, and earned at least a “C” in Finance 537. 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).

Classroom Etiquette

Please refrain from using cell phones in class. This includes text messaging while class is in session as well as having the phone ring during class. If there is an emergency and you need to receive a call, please notify me before class and set your phone to vibrate or silent. Talking to your neighbor for an extended length of time is also poor etiquette and should be avoided.

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 final will be on the scheduled exam date. 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 one-week in advance.**

The remaining 25% of your grade will be assignments (defined as “homework” and some memos), quizzes and cases.

Quizzes and assignments: Quizzes are designed to check your progress on material up to that point. Quizzes will normally be unannounced. If a quiz is missed, it may not be retaken, but will have to be dropped (see below).

Assignments should be turned in on time, which is most often 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 20 points for every 24-hour period it is late up to the point when the solution is discussed. After the solution is discussed, assignments may not be turned in for credit. 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 on the case.

You can drop the 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 the Friday before class. I will not hold you responsible if I fail to get a reading posted on time.

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.”

Grades will be assigned based on the following scale:

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

In some cases, exams are “curved,” but this is rare and usually in the case of some error I have made (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 are 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 a more detailed explanation of the paper.

We will follow the order on the outline below, but will adjust the coverage on the exams as needed. You will only be tested on what is covered and not what is listed below.

Chapter Outline

<i>Topic</i>	<i>Title</i>	<i>Pages</i>
Section 1		
Chapter 7	Managing Interest Rate Risk: GAP and earnings sensitivity	257-296
Chapter 8	Managing Interest Rate Risk: Duration Gap and EVE	297-324
Chapter 10	Funding the Bank (beginning with Marg. Cost of Funds)	396-443
Exam 1	Monday, March 2, 2020	
Section 2		
Chapter 13	Overview of Credit Policy and Loan Characteristics	541-585
Chapter 14	Evaluating Commercial Loan Requests	587-653
Chapter 15	Evaluating Consumer Loans	655-694
Exam 2	Monday, April 6, 2020	
Section 3		
Chapter 9	Using Derivatives to Manage Interest Rate Risk	327-385
Chapter 11	Managing Liquidity	445-485
Chapter 12	The Effective Use of Capital	487-532
Chapter 16	Managing the Investment Portfolio	697-771
Chapter 17	Global Banking Activities	773-807
Exam 3 (Final)	Monday, May 4 at 7:30 in the evening	
Graduation	May 9	