

## BANKING AND MONEY - 2024/5

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Module code: MAN3124

### Module Overview

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This module is intended to introduce students to the study of banking and money. The material of the course covers two broader areas. The first encompasses the microeconomic and managerial aspects of banking, such as, the structure of incentives, bank risk management, competition, and performance. The second area covers the macroeconomic elements of banking instability, the role of banks in the monetary transmission mechanism, the interplay between banks, regulators and policy makers and the role of banks in setting interest rates as well as regulatory developments in banking.

#### Module provider

Surrey Business School

#### Module Leader

WILLIAMS Jon (SBS)

Number of Credits: 15

ECTS Credits: 7.5

Framework: FHEQ Level 6

Module cap (Maximum number of students): N/A

### Overall student workload

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Independent Learning Hours: 80

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Lecture Hours: 20

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Seminar Hours: 10

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Guided Learning: 20

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Captured Content: 20

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### Module Availability

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Semester 1

### Prerequisites / Co-requisites

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None

## Module content

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Indicative content includes:

- Why study banking and money? Theoretical issues in financial intermediation and bank regulation.
- Banking and Bank Management.
- Bank risk management: Interest rate risk.
- Bank risk management: Credit risk.
- Business models in banking.
- Reward structures in banking.
- The nature of competition.
- Deposit creation, central banking, and monetary policy.
- Monetary transmission mechanism and role of banks.
- Market failure and financial crises.
- Regulatory developments in banking.

## Assessment pattern

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Assessment type	Unit of assessment	Weighting
Online Scheduled Summative Class Test	MID-TEST MCQ (60 minutes)	30
Examination Online	EXAM SET DATE AND TIME (120 minutes)	70

## Alternative Assessment

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N/A

## Assessment Strategy

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The assessment strategy:

The assessment strategy is designed to provide students with the opportunity to demonstrate

- learning in all the topics included in the module content
- student's ability to comprehend and critically discuss the relevant concepts of banking and money

The summative assessment for this module consists of:

- A midterm test that addresses learning outcomes 1 and 2
- A final term examination covering all learning outcomes.

Formative assessment and feedback

Students will receive:

- Verbal feedback in seminars and during student consultation and feedback hours.
- Weekly online quizzes.
- Any other feedback where needed.

## Module aims

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- To provide an understanding of the role of banks in the modern economy.
- To introduce students to the microfinance aspects of banking theory, such as bank risk, competition and performance
- To introduce students to the role of banks in the monetary transmission mechanism and to the role of Central Banks
- To discuss contemporary elements of bank regulation and the role of banks in financial crises

## Learning outcomes

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		Attributes Developed
001	Evaluate the role of banks in the modern economy and financial system.	KCPT
002	Identify reasons why banks take on risks and the purpose of strong regulations in the sector.	KC
003	Analyse the structural environment within which banks operate and the implications of that for their competitive environment and performance.	KCPT
004	Analyse case studies on banking crises, types of banking regulation and the interplay between banks and financial markets.	KCPT
005	Apply central banking theory, as well as to the way banks create money in the economy and affect interest rates.	KCPT

### Attributes Developed

C - Cognitive/analytical

K - Subject knowledge

T - Transferable skills

P - Professional/Practical skills

## Methods of Teaching / Learning

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The learning and teaching strategy is designed to:

- Give students the opportunity to gain knowledge and understanding of relevant finance theory and current business practices in the areas of financial markets
- Equip students with an awareness of financial intermediation and risks

The learning and teaching methods include:

- Elements of seminars, lectures, guided reading and captured content including illustrative practice exercises

Indicated Lecture Hours (which may also include seminars, tutorials, workshops and other contact time) are approximate and may include in-class tests where one or more of these are an assessment on the module. In-class tests are scheduled/organised separately to taught content and will be published on to student personal timetables, where they apply to taken modules, as soon as they are finalised by central administration. This will usually be after the initial publication of the teaching timetable for the relevant semester.

## Reading list

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<https://readinglists.surrey.ac.uk>

Upon accessing the reading list, please search for the module using the module code: **MAN3124**

## Other information

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**Global and Cultural Capabilities:** Financial institutions like banks and financial markets operate globally either as truly international institutions and markets or as regional and/or national institutions and markets. The essential knowledge gained in this module of the environment affecting banks and their management and performance, and of the interplay between central banks, banks, and monetary policy is applicable across the global financial industry conditional on some variations depending on country regulations and/or cultural differences.

**Digital Capabilities:** Students will gain insight into the skills which are required by the global financial services industry. These skills can range from computational understanding of risk management techniques to critical evaluation of bank strategies and choice of bank business models to the appreciation of the risk-return trade-off facing banks and policymakers.

**Employability:** The module aims to develop financial awareness and practical knowledge of the workings of financial institutions, such as, commercial banks and central banks and the markets they operate in including a range of analytical skills, which are highly regarded by employers. Over the course of the module, students develop the ability to evaluate problems, devise solutions, and critically analyse solutions. Consequently, students build and enhance their individual and professional skill sets.

**Resourcefulness and Resilience:** Since the module builds on concepts from basic finance modules, this module reinforces and further develops knowledge and skills related to financial institutions and financial markets. Students develop understanding of how banks and central banks work and financial markets operate, as well as critical appreciation of policy choices and trade-offs facing bank managers, central banks, and policymakers. In turn, this fosters development of students' critical acumen and analytical prowess. In addition, through independent and guided learning, students develop attributes, such as, confidence, adaptability, self-regulation, self-efficacy, problem solving and decision-making abilities.

**Sustainability:** The module emphasizes the role of the banking system in allocating resources to their most productive users creating positive effects on rates of innovation and economic growth, which benefit society at large, reduce poverty, and enhance sustainability. The module equips students with economic principles to identify instances of imperfect market performance and propose and/or design suitable solutions. In addition, the module equips students with the skills to critically evaluate public policy. Greater scrutiny can facilitate higher standards of corporate governance - a key issue in environment, social, and governance (ESG) principles.

## Programmes this module appears in

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Programme	Semester	Classification	Qualifying conditions
<a href="#">Accounting and Finance (Dual degree with SIU-DUFE) BSc (Hons)</a>	1	Optional	A weighted aggregate mark of 40% is required to pass the module

Programme	Semester	Classification	Qualifying conditions
<a href="#">Accounting and Finance BSc (Hons)</a>	1	Optional	A weighted aggregate mark of 40% is required to pass the module
<a href="#">Business Management and French BSc (Hons)</a>	1	Optional	A weighted aggregate mark of 40% is required to pass the module
<a href="#">Business Management and Spanish BSc (Hons)</a>	1	Optional	A weighted aggregate mark of 40% is required to pass the module

Please note that the information detailed within this record is accurate at the time of publishing and may be subject to change. This record contains information for the most up to date version of the programme / module for the 2024/5 academic year.