

San José State University
College of Business/Accounting and Finance Department
BUS1 171B, Commercial Banking, Section 1, Fall 2018

Course and Contact Information

Instructor:	Dr. Tijana Rajkovic
Office Location:	BT 851
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Email:	tijana.rajkovic@sjsu.edu
Office Hours:	Tuesday and Thursday 10:30am-11:30am and by appointment
Class Days/Time:	Tuesday and Thursday: 9:00am-10:15am
Classroom:	BBC 106
Prerequisites:	COMM 100W or ENGL 100WB or LLD 100WB and BUS 171A with a minimum grade of "C"

Course Format

Faculty Web Page and MYSJSU Messaging

Course materials such as syllabus, assignment instructions, grading rubrics, etc. can be found on [Canvas Learning Management System course login website](http://sjsu.instructure.com) at <http://sjsu.instructure.com>. Students are responsible for regularly checking with the messaging system through [MySJSU](http://my.sjsu.edu) at <http://my.sjsu.edu> to learn of any updates. Canvas Student Guide: <https://guides.instructure.com/m/4212>.

Course Description

Analytical tools for the evaluation of the performance and risk of commercial banks. The measurement and management of interest rate, liquidity, credit and solvency risks. Historical and current banking regulations. Commercial credit analysis and loan policies.

Course Learning Outcomes (CLO)

Upon successful completion of this course, students will be able to:

CLO1 Understand and describe the historical trends and regulations impacting depository institutions - CBPG #1 and #5

CLO2 Compute accounting and financial ratios and analyze the performance of commercial banks - CBPG #1 and #5

CLO3 Understand management techniques of non-interest income and expenses - CBPG #1 and #5

CLO4 Understand how to price fixed-income securities and compute duration - CBPG #1

CLO5 Understand how to perform interest rate risk assessments by computing GAP, earning sensitivity, duration GAP and EVE sensitivity analyses - CBPG #1

CLO6 Understand the different sources of funding and their costs - CBPG #1 and #5

CLO7 Understand how to analyze and manage liquidity risks - CBPG #1 and #5

CLO8 Understand how to analyze and manage solvency risks - CBPG #1 and #5

CLO9 Understand how to evaluate commercial loan requests and manage credit risk - CBPG #1 and #5

Lucas College and Graduate School of Business Program Goals

LCoB Mission Statement

We are the institution of opportunity in Silicon Valley, educating future leaders through experiential learning and character development in a global business community and by conducting research that contributes to business theory, practice and education.

BSBA Goals:

Goal One: Business Knowledge - Understand basic business principles and demonstrate discipline-specific competencies as applied to local and global environments.

Goal Two: Communication - Communicate ideas clearly, logically, and persuasively in oral and written format, using technology appropriately.

Goal Three: Ethical Awareness - Recognize, analyze, and articulate solutions to ethical issues that arise in business.

Goal Four: Leadership, Teams and Diversity - Comprehend the challenges and opportunities of leading and working in diverse teams and environments.

Goal Five: Critical Thinking - Comprehend, analyze, and critically evaluate complex and unstructured qualitative and quantitative business problems, using appropriate tools and technology.

Goal Six: Innovation - Recognize, analyze, and articulate strategies for promoting creativity and innovation.

Required Texts/Readings

Textbook

Bank Management, 8th edition

Authors: Timothy W. Koch and S. Scott MacDonald

Publisher: Cengage Learning

ISBN-13: 978-1133494683

ISBN-10: 1133494684

Other Readings

Class handouts distributed via Canvas.

Other technology requirements / equipment / material

Financial calculator is required for this course. Please bring your calculator to each class. *Texas Instruments BAII Plus* is recommended. Networked, programmable & non-financial calculators and phones are not allowed.

Library Liaison

Christa Bailey, Librarian for Accounting & Finance and School of Information

christa.bailey@sjsu.edu

(408) 808 - 2422

Course Requirements and Assignments

EXAMS: Two midterm exams and a final exam will be given in class on the dates specified in the course schedule. Make-up exams will be allowed only under extreme circumstances. An unexcused absence from an exam will result in a grade of zero on the exam.

PROJECTS: The purpose of team projects is to practice with the course material, apply it to real-world problems, and strengthen your skills of cooperation with others and professional communication. Late submissions will not be accepted. Further details on the requirements and grading standards for team projects will be discussed in class and provided as a separate document in Canvas.

BIA: Students can earn extra credit points for attending the events organized by the Banking and Investment Association (BIA). Further details on the event schedule and grading standards will be discussed in class and provided as a separate document in Canvas.

Success in this course is based on the expectation that students will spend, for each unit of credit, a minimum of 45 hours over the length of the course (normally three hours per unit per week) for instruction, preparation/studying, or course related activities, including but not limited to internships, labs, and clinical practica. Other course structures will have equivalent workload expectations as described in the syllabus

Grading Information

Grades will be based on the activities and points listed in the following table:

	Points	Percentage
Exam 1	250	25%
Exam 2	250	25%
Projects	150	15%
Final Exam	350	35%
Total	1000	100%

The final course grade will be based on the following percentage scale:

A+ = 97 - 100	A = 93 - 96.99	A- = 90 - 92.99
B+ = 87 - 89.99	B = 83 - 86.99	B- = 80 - 82.99
C+ = 77 - 79.99	C = 73 - 76.99	C- = 70 - 72.99
D+ = 67 - 69.99	D = 63 - 66.99	D- = 60 - 62.99
F = below 60		

Classroom Protocol

Students are expected to behave in a professional manner. Please be respectful to others. Always arrive on time, read the assigned text material and be prepared to participate in class discussions.

University Policies

Per University Policy S16-9, university-wide policy information relevant to all courses, such as academic integrity, accommodations, etc. will be available on Office of Graduate and Undergraduate Programs' [Syllabus Information web page](http://www.sjsu.edu/gup/syllabusinfo/) at <http://www.sjsu.edu/gup/syllabusinfo/>

BUS1 171B / Commercial Banking, Fall 2018, Course Schedule

The schedule is subject to change. The notice of change will be given in class or made available on Canvas.

Course Schedule

Week	Date	Topics, Readings, Assignments, Deadlines
1	August 21	Chapter 1 – Banking and the Financial Services Industry
1	August 23	Chapter 1 – Banking and the Financial Services Industry
2	August 28	Chapter 2 – Government Policies and Regulations
2	August 30	Chapter 2 – Government Policies and Regulations
3	September 4	Chapter 3 – Analyzing Bank Performance
3	September 6	Chapter 3 – Analyzing Bank Performance
4	September 11	Chapter 4 – Managing Noninterest Income and Noninterest Expense
4	September 13	Chapter 4 – Managing Noninterest Income and Noninterest Expense
5	September 18	<i>Exam 1 Review</i>
5	September 20	<i>Exam 1</i>
6	September 25	Chapter 6 – Pricing Fixed-Income Securities
6	September 27	Chapter 6 – Pricing Fixed-Income Securities
7	October 2	Chapter 7 – Managing Interest Rate Risk: GAP and Earnings Sensitivity
7	October 4	Chapter 7 – Managing Interest Rate Risk: GAP and Earnings Sensitivity
8	October 9	Chapter 8 – Managing Interest Rate Risk: Economic Value of Equity
8	October 11	Chapter 8 – Managing Interest Rate Risk: Economic Value of Equity
9	October 16	Chapter 9 – Using Derivatives to Manage Interest Rate Risk
9	October 18	Chapter 9 – Using Derivatives to Manage Interest Rate Risk
10	October 23	<i>Exam 2 Review</i>
10	October 25	<i>Exam 2</i>
11	October 30	Chapter 10 – Funding the Bank
11	November 1	Chapter 10 – Funding the Bank
12	November 6	Chapter 11 – Managing Liquidity
12	November 8	Chapter 11 – Managing Liquidity
13	November 13	Chapter 12 – The Effective Use of Capital

Week	Date	Topics, Readings, Assignments, Deadlines
13	November 15	Chapter 12 – The Effective Use of Capital
14	November 20	Chapter 13 – Overview of Credit Policy and Loan Characteristics
14	November 22	Thanksgiving Holiday
15	November 27	Chapter 13 – Overview of Credit Policy and Loan Characteristics
15	November 29	Chapter 17 – Global Banking Activities
16	December 4	Chapter 17 – Global Banking Activities
16	December 6	<i>Final Exam Review</i>
Final Exam		Thursday, December 13 th , 7:15am – 9:30am