

# Chartered Banker

Leading financial professionalism

## CHARTERED BANKER 2013 MODULE SPECIFICATION

<b>Title:</b>	<b>Contemporary Issues in Banking</b>
<b>Credit Value:</b>	SCQF Level 10/EQF Level 6 SCQF Credit Points 25
<b>Aim:</b>	To provide an extensive, detailed and critical knowledge and understanding of contemporary issues in the banking industry and develop the practitioner's ability to make professional judgements and informed decisions in relevant work situations.
<b>Access Statement:</b>	It is recommended that students should have previously studied at SCQF Level 8/9/EQF Level 5/6 or above, or have relevant practical experience in banking or financial services.
<b>Programmes of study to which unit contributes:</b>	<ul style="list-style-type: none"><li>• Chartered Banker</li><li>• Associate Chartered Banker Diploma</li></ul>
<b>Learning Outcomes:</b>	<b>Knowledge, Understanding and Skills</b> On completion of this module, students should be able to: <ol style="list-style-type: none"><li>1. examine the role of the bank as a financial intermediary and deposit creator</li><li>2. critically analyse economic theories, trends and the UK economic environment</li><li>3. examine the impact of monetary policy on banks, inflation, the housing market and the economy</li><li>4. critically review the involvement of banks in the international money, credit and bond markets</li><li>5. examine and analyse international factors impacting on banks</li><li>6. examine the way in which public finance issues in the economy affect banks and critically analyse the implications of government shareholdings in banks</li><li>7. critically analyse the regulatory framework and the competitive environment in which banks operate</li><li>8. critically review the latest trends in innovation and technology in banking.</li></ol>
<b>Method of Delivery:</b>	Distance learning with blended learning support.
<b>Assessment:</b>	<i>An online, extended response examination worth 70% of the overall result and one summative assignment worth 30%. Continuous formative assessment will be provided in the form of feedback on a draft assignment.</i>

## Learning Outcomes, Assessment Criteria and Content

Learning Outcomes	Assessment Criteria	Content
<b>The Bank as a Financial Intermediary and Deposit Creator</b>		
Examine the role of the bank as a financial intermediary and deposit creator.	<p>Explain the concept of the national balance sheet and sector surpluses and deficits.</p> <p>Explain the domestic recycling of funds and the creation of direct and indirect financial claims.</p> <p>Evaluate the role of financial intermediaries in the economy and how banks serve savers' and borrowers' needs.</p> <p>Comment on the personal sector balance sheet and explain fluctuations in the personal sector savings ratio.</p> <p>Examine the role of the bank as a deposit creator and analyse the concept of the bank deposit multiplier.</p>	<p>The National Balance Sheet</p> <p>Funds Flow Analysis</p> <p>Financial Intermediaries</p> <p>Financial and Physical Assets</p> <p>Personal sector savings ratio</p> <p>Bank deposit creation and money supply</p>
<b>The Economic Environment</b>		
Critically analyse economic theories, trends and the UK economic environment.	<p>Critically analyse the circular flow of income in an economy and explain the basic concept of national income.</p> <p>Comment on the problems of national income measurement, determinants of its size and the usefulness of such data to economic management.</p> <p>Explain the income multiplier and investment accelerator together with</p>	<p>National Income</p> <p>Economic trends and management</p> <p>Per capita income</p> <p>Income multiplier</p>

	<p>their influence on total demand in an economy.</p> <p>Analyse the concept of full employment and types of unemployment along with the trade cycle and why output fluctuates in economies over time.</p> <p>Critically evaluate UK economic management and the adoption of Keynesian, monetarist and supply-side policies along with the current economic environment.</p>	<p>Full employment</p> <p>Business/ trade cycle</p> <p>Economic policies/ management</p>
<b>Monetary Policy</b>		
<p>Examine the impact of monetary policy on banks, inflation, the housing market and the economy.</p>	<p>Evaluate the main objectives and instruments of monetary policy together with the role of the Monetary Policy Committee.</p> <p>Explain the mechanics and impact on the supply of credit of the discount rate, open market operations and quantitative easing.</p> <p>Critically analyse interest rate theories and their relevance to economic management.</p> <p>Examine the main aspects of inflation and its impact on society and the economy along with the concept of price deflation.</p> <p>Explain the housing market's special features and evaluate the impact on banks and the economy of house price bubbles/ bursts.</p>	<p>Monetary policy/ MPC</p> <p>Bank of England monetary weapons</p> <p>Interest rates</p> <p>Open market operations</p> <p>Inflation</p> <p>RPI/ CPI</p> <p>House market bubbles/ bursts</p>
<b>International Money and Bond Markets</b>		
<p>Critically review the involvement of banks in the international money, credit</p>	<p>Analyse the interest rate structure and the demand/ supply of funds in the international money market.</p> <p>Explain the operational activities of banks together with the key role</p>	<p>International Money Markets</p>

<p>and bond markets.</p>	<p>played by the interbank market in asset-liability management.</p> <p>Explain the main features of the syndicated loan market, its participants and the flexibility of such loans for non-bank borrowers.</p> <p>Compare and contrast the eurobond and foreign bond markets together with the various types of bonds issued and the role of credit rating agencies.</p> <p>Critically reflect on international banking centres in particular offshore functional and shell centres along with a close examination of London as the world's leading centre.</p>	<p>Interbank market</p> <p>International syndicated loan market</p> <p>International bond primary and secondary markets</p> <p>Offshore banking centres</p> <p>London as an international financial centre</p>
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<b>International Bank Risks, Securitisation and the Eurozone</b>		
<p>Examine and analyse international factors impacting on banks.</p>	<p>Examine international deposit risk and the Act of State Doctrine.</p> <p>Evaluate factors influencing country risk and how banks assess such risks and manage these on their balance sheets.</p> <p>Explain securitisation/ globalisation and critically analyse how these trends impacted on banks and the financial markets in 2007-09.</p> <p>Explain the main features of the Eurozone and the case for and against euro membership.</p>	<p>Deposit risk</p> <p>Country risk</p> <p>Securitisation</p> <p>Globalisation of financial markets</p> <p>European Monetary Union</p> <p>Debt rescue packages and proposed</p>

	Critically review current Eurozone problems and policies in relation to the Greek debt problem and its impact on banks and the European economy.	fiscal union
<b>Public Finance</b>		
Examine the way in which public finance issues in the economy affect banks and critically analyse the implications of government shareholdings in banks.	<p>Examine underlying tax principles and the need for government spending.</p> <p>Critically evaluate recent budgets and the establishment of the Office for Budget Responsibility.</p> <p>Comment on the money burden and real burden of the UK national debt which now exceeds £1 trillion.</p> <p>Examine the causes and consequences of the financial crisis in 2007-09 and how this resulted in bank failures and problems.</p> <p>Critically analyse the implications of government shareholdings in banks.</p>	<p>Public Finance</p> <p>UK Emergency Budget June 2010</p> <p>National Debt</p> <p>Financial Crisis 2008 and aftermath</p> <p>Nationalisation/Privatisation</p> <p>Government shareholdings/UKFI</p> <p>Toxic Asset/ UKAR</p> <p>Break up/Sale of banks</p>
<b>Regulation and the Competitive Environment</b>		
Critically analyse the regulatory framework and the competitive environment in which banks operate.	<p>Critically evaluate the need for bank regulation and prudential controls together with deposit insurance.</p> <p>Explain the importance of capital adequacy and liquidity adequacy for banks and the international accords on these issued by the Basel Committee on Bank Supervision.</p> <p>Comment on the Independent Commission on Banking Report's recommendations for ring-fencing banking activities and its</p>	<p>Regulation and its impact on the competitive environment</p> <p>Capital and liquidity adequacy</p> <p>Vickers Report</p> <p>Financial Services Sector Trends and</p>

	<p>suggestions for greater competition in the UK banking market.</p> <p>Critically assess the competitive environment in which banks operate and the role of social banking.</p> <p>Explain the single banking market in Europe and the development of cross-border banking.</p>	<p>Developments</p> <p>Different types of financial services providers and social banking</p> <p>EU single banking market</p>
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<b>Innovation and Technology</b>		
<p>Critically review the latest trends in innovation and technology in banking.</p>	<p>Examine the impact of technology on the branch network.</p> <p>Review developments in internet banking and mobile phone technology together with associated risks.</p> <p>Assess the use of expert systems in banks and how these might affect staff levels and delivery systems.</p> <p>Critically evaluate technological risks/ cyber crime in banking and how banks seek to control such threats.</p> <p>Explain hardware/ software developments in banking.</p>	<p>Trends in delivery channels and distribution</p> <p>Expert Systems</p> <p>Technological risks</p> <p>Hardware/Software Developments</p>