



School of Business and Public Management

DEPARTMENT OF INTERNATIONAL BUSINESS

COURSE NUMBER: IBUS 273-10 **SEMESTER:** Fall 2005
Wednesday 7:10-9:40 p.m. **Classroom:** Monroe B03

COURSE TITLE: Seminar on International Banking

COURSE DESCRIPTION: This seminar focuses on institutional and management issues of international banking. It examines the reasons for the expansion of international banking institutions during the past several decades, their strategies and operational developments, and the managerial and regulatory problems encountered by international banks as well as the recent developments in international project financing.

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OFFICE HOURS: Monday 3-6 p.m.; Wednesday 3-6 p.m. and by appointment.

REQUIRED TEXTBOOK: Jane Hughes and Scott MacDonald, International Banking: Text and Cases, Addison Wesley, 2002.

ASSIGNMENTS: Prior to each class session, students are expected to complete the required readings for the assigned session as well as thorough preparation of the case to be discussed. Late submission of the paper is subject to a penalty of ten percent of the paper's grade.

METHOD FOR GRADING:

Final exam (Wednesday, December 14)	40%
Mid-term exam (Wednesday, October 19)	20%
Term paper (due on Wednesday, November 30)	40%

<u>Class Session</u>	<u>Brief Description of Topic</u>
1.	<p><u>Introduction to Course Contents</u></p> <p>Class distribution: "International Banking and Financial Market Developments," Chapters 1 and 2, June 2005, <i>BIS Quarterly Review</i>, Basle, Switzerland.</p> <p>Text, Chapter 1.</p>
2.	<p><u>International Banking: Theory, Evolution, and Environment</u></p> <p>Text, Chapters 2, 3 & 4.</p>
3.	<p><u>Multilateral Development Banking and Current Issues in Development Finance; Evolution in LDC Banking System</u></p> <p>World Bank, <u>Annual Report</u> Class distribution: "Supranational Ratings" <u>Standard & Poor's Credit Review</u></p>
4.	<p><u>The Euromarket System; Financial Innovations; and Securitization</u></p> <p>Class handouts. <u>Case Discussion</u>: "Passing the Buck at Banco."</p>
5.	<p><u>International Banking Operations: Commercial, Investment and Retail; Eurocredits</u></p> <p>Text, Chapters 5 and 6.</p> <p><u>Case Discussion</u>: "Continental vs. Saudi."</p>
6.	<p><u>Banking Crises and Regulations of International Banking</u></p> <p>Text, Chapters 9 & 10.</p>

7. Asian Financial Crises of 1997-98; Origins and Prospects

“Nature and Causes of the Asian Financial Crisis and the Effects on Korean Banks”
“Financial Intermediation and the Asian Crisis,” *68th Annual Report of the Bank for International Settlements*, Basel, Switzerland, 1998.
8. Mid-term exam
9. Off-Balance Sheet Activities of Banks
Basle Guidelines for Risk-weighted Capital Ratios

Text, Chapters 11 & 13.
Class handouts.
10. Market Risk and Revised Basle Committee Guidelines; Offshore Financial Centers and Money Laundering

Text, Chapters 7 & 12.
Case Discussion: "Trading in Spain"
Benton E. Gup, *The New Basel Capital Accord*, Chapter 2.
11. International Asset and Liability Management of Banks

Class Handouts.
12. Use of Financial Swaps for Bank Liability Management
Assets Swaps, Commodity Swaps, Interest Swaps and Liabil. Swaps

Class Handouts.
13. Introduction to International Project Financing

Class Handouts.
14. International Debt Problems and Debt Rescheduling; Debt Swaps; Brady Bonds; Country Risk

Text, Chapter 14.
Class handouts.