

SYLLABUS  
PART I  
EDISON COMMUNITY COLLEGE  
BUS 225S PRINCIPLES OF BANKING  
4 CREDIT HOURS

COURSE DESCRIPTION

A descriptive survey of savings and loan and commercial bank functions. Accounting, trusts, demand deposits, loans and investments, bank regulations, and primary and secondary reserve needs are covered.

COURSE GOALS

The student will:

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| 1. Identify the functions of a bank in our economy   |
| 2. Describe the internal structure of banks and the impact of government policy and regulation on the banking industry               |
| 3. Discuss the financial statements of a bank and use of ratios to measure financial performance                                     |
| 4. Describe bank lending policies and procedures as well as lending regulations  |
| 5. Define the investment function in banking, including: investment instruments; investment markets; types of risk; and yield curves |
| 6. Describe asset liquidity management, reserve requirements and estimating a bank's liquidity needs                                 |
| 7. Name bank sources of funds; deposits, non-deposit liabilities and equity  |
| 8. Discuss recent trends in banking with respect to mergers, international operations, and new products                              |

CORE VALUES

The Core Values are a set of principles, which guide in creating educational programs and environments at Edison Community College. They include communication, ethics, critical thinking, human diversity, inquiry/respect for learning, and interpersonal skills/teamwork. The goals, objectives, and activities in this course will introduce/reinforce those Core Values whenever appropriate.

TOPIC OUTLINE

1. An overview of banks and the financial-service sector;
2. The impact of government policy and regulation on banking and the financial-service sector;
3. The organization and structure of banking and the financial-service industry;
4. Establishing new banks, branches, ATM's, telephone services, and web sites;
5. The financial statements of banks and their principle competitors;
6. Measuring and evaluating the performance of banks and their principle competitors;
7. Asset-Liability management;
8. Using financial futures, options, swaps, and other hedging tools;
9. Managing the investment portfolios and liquidity position of banks and their principle competitors;
10. Managing sources of funds for banks and their principle competitors;
11. Lending policy and procedure;
12. Lending to business firms and pricing business loans;
13. Consumer loans, credit cards, and real estate lending;
14. Acquisitions and mergers in financial-services management;
15. International banking and the future of banking and financial-services.