

University of Missouri-St. Louis
College of Business Administration
Course Syllabus

FIN 3541
Commercial Bank Management
Spring 2017

Class meets: 12:30 pm M, W in 133 SSB

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Office Hours: 2:00-3:00 pm and 7:00-8:00 pm
M, W and by appointment

PREREQUISITES: ECON 1002 (MACRO), FIN 3500 (FIN MGMT). Both with a "C" or better.

TEXT: **No text is required for this course.** My lectures are an amalgamation of materials that do not closely follow any currently available text. Nevertheless, many students find it helpful to have a book to read as a supplement to class lectures. To save money, I would recommend students purchase the following book, but only if you are going to use it:

Benton Gup & James Kolari, Commercial Banking: The Management of Risk
(Textbook Media Press, 2017) www.textbookmediapress.com

Cost:	Online book	\$34.95
	Online + pdf chapters	\$42.95
	Online + leaf	\$51.95
	Online + paperback	\$66.95
	Online + color paperback	\$69.95

COURSE OBJECTIVE: There are three objectives for this course:

- (1) Acquaint students with the environment of financial institutions;
- (2) Provide an integrated framework for the management of commercial banks; and
- (3) Demonstrate the many tools and techniques employed in commercial bank management.

GRADING POLICY:	Midterm Exam 1	25%	100 pts
	Midterm Exam 2	25%	100 pts.
	Final Exam	25%	100 pts.
	Simulation Project	17.5%	70 pts.
	Participation	7.5%	<u>30 pts</u> 400 pts.

Please note that “+” or “-“ grades will be used in the final grading.

EXAM POLICY: Dates of exams will be announced in class at least 10 days in advance.

MY GATEWAY: This web portal will be used for course information, announcements, assignments and grading.

**CASES AND
SIMULATION:** There will be two or three cases assigned covering special topics relating to the course. All cases will be discussed in class. A computer simulation will also be played and students are expected to prepare a written project report at the end.

PARTICIPATION: The class participation grade will be based on the frequency and clarity of student responses during class discussions. Generally, you will only improve your grade by participating. However, if an “A” or “B” student does not participate and thus contribute to class discussion, it is likely they will lower their course grade by earning a “C” on the participation component. Class attendance is required and will be periodically recorded. Absences will reduce your participation grade.

**ACADEMIC
HONESTY:** Students are expected to adhere to the University Code of Student Conduct for academic honesty as expressed in the Student Handbook. Any form of cheating on exams, including providing assistance to others or plagiarism of the work of others, will result in 0 points for that exam or assignment.

FINAL EXAM: Wednesday, May 10th 10:00 am - 12:00 noon

(Final Exam is taken in the same classroom as normal.)

COURSE OUTLINE

Topics

- I. Commercial Banking: An Overview
- II. Structure of the Banking System
- III. Bank Regulation
- IV. Bank Expansion
 - Branch Banking
 - Mergers and BHCs
 - Valuation of Banks

MID TERM EXAM 1

- V. Liability Management
 - Deposits
 - Regulation Q and Recent Changes
- VI. Asset Management
 - Liquidity Management

MID TERM EXAM 2

- Bank Lending
- Investment Portfolio
- VII. Spread Management
- VIII. Management of Capital
- IX. Trust Services

FINAL EXAM

- Notes:**
- (1) Exam dates will be announced in class.
 - (2) Reading and case assignments will be made during class.