

BNK201: Principles of Banking

Syllabus Overview

This syllabus contains all relevant information about the course: its objectives and outcomes, the grading criteria, the texts and other materials of instruction, and weekly topics, outcomes, assignments, and due dates. Consider this your roadmap for the course. Please read through the syllabus carefully and ask questions if you would like anything clarified. Please print a copy of this syllabus for reference.

Course Description

3 Credits

Prerequisite: None

This course provides students with an overview of the history, purpose, and functions of banking. The course focuses on how banks serve the financial needs of individuals, businesses, and government in today's competitive environment. Students will compare financial services offered through traditional banking institutions with other financial intermediaries. Topics will include: Introduction & Evolution of Banking, The Federal Reserve as the Central Bank of the U.S., Deposits, Negotiable Instruments/Payments, Customer Service & Sales, Non-Traditional Bank Products & Services, Lending, Bank Investments & Profitability Management, Safeguarding Customer Assets.

Course Outcomes

At the completion of this course, students should be able to:

- Assess the evolutionary structure in conflict with a sound banking system in the U.S.
- Discuss the unique structure of the Federal Reserve as a Central Bank.
- Determine and discuss regulations and actions to safe keep customer assets and information.
- Determine traditional and Non-Traditional bank products and services and the impact of regulatory limitation.
- Assess risk management, bank profitability and capital standards in comparison to bankpowers.
- Discuss trends in customer retention and growth.
- Assess the goals of regulation and competing theories.
- Interpret the current state of the economy and assess how new banking regulation may reshape the environment.

Communication with Your Instructor

You will receive a welcome email from your instructor prior to the start of class. This email will contain your instructor's contact information. Your instructor will also be communicating with you via several methods in the course, including:

- **Announcements** – This communication tool, located on the navigation menu within your course in Canvas, contains important updates. Be sure to check for new announcements from your instructor each time you access your course.
- **Q&A** – Use this discussion board, located on the Home screen in your course, to communicate with your instructor and classmates regarding general course questions (i.e. missing links, assignment clarification, etc.).
- **Inbox** – Use the Inbox, located in the top right corner of Canvas, to send a message to your instructor or classmates.

Materials and Resources

Required or Supplemental Text or Resources:

There is no required textbook. All readings are provided within the course.

Bookstore Information

Please visit the bookstore located in the left-hand navigation of any canvas course.

Library Services

Detailed information about the eLibrary can be found in the Student Resource Center. This is a course that all students have access to during their academic career.

Canvas Help Desk and Technical Questions

If you experience technical issues in your course, please contact the Canvas Help Desk by clicking the Help link (top right corner within Canvas). There are 3 ways to contact them:

- Phone (888-628-2749)
- Live chat
- Report a problem (submit a ticket)

Be sure to notify your instructor of any technical difficulties you are experiencing.

Additional resources are available in the Student Resource Center and the Canvas Guides website:

<https://community.canvaslms.com/docs/DOC-4121>

Weekly Schedule

Week 1 Introduction and Evolution of Banking	
Outcomes	<ul style="list-style-type: none"> Describe the development of the banking system and the importance of banks Identify charter, ownership, and types of financial institutions Identify the different types of financial institutions in the US today. Discuss the importance of ethics in a sound banking system.
Readings	<ul style="list-style-type: none"> A short banking history of the United States Banking basics The first fifty years The first bank of the United States: A chapter in the history of central banking 6 Predictions for Banking in 2019 Credit unions vs. banks: Which is better for you?
Lectures	Professor's Intro: Introduction and Evolution of Banking
Discussion	<p>Banks vs. Credit Unions</p> <p>Question:</p> <p>Banks and credit unions offer similar services, but the two establishments are inherently different from each other. What are some unique features and functions of each institution type?</p>
Assignments	<p>Writing Assignment</p> <p>Question:</p> <p>Regulatory and technological changes impact how banks operate. What is one recent change, and how is it currently shaping the banking industry?</p>
Quiz	Refer to your course

Week 2 The Federal Reserve as the Central Bank of the United States	
Outcomes	<ul style="list-style-type: none"> Describe the organization of the Federal Reserve System. Explain the responsibilities of the FED. Compare Monetary Policy to Fiscal Policy. Recognize what is involved in a bank examination.

Readings	<ul style="list-style-type: none"> • Lessons of the financial crisis for banking supervision • When will the fed raise rates? • The real state of the economy • The Federal Reserve System: Purposes and functions.
Lectures	The Federal Reserve
Discussion	<p>Actions of the Federal Reserve (Fed)</p> <p>Question:</p> <p>Is the U.S. economy today in a recession, depression, expansion phase, or at the peak of the economic cycle? What is our current rate of inflation? According to the minutes of the last Federal Open Market Committee (FOMC) meeting, what decision did the Fed make about expanding, contracting, or maintaining the money supply? Do you agree with the current actions of the Fed? Why or why not?</p>
Assignments	<p>Writing Assignment</p> <p>Question:</p> <p>The Federal Reserve is responsible for carrying out monetary policy in the United States. What are the goals of U.S. monetary policy? Also, what are the main tools used by the Fed to achieve these goals? Describe how the Fed uses each of its tools to expand and contract our money supply?</p>
Quiz	Refer to your course

Week 3	Deposits, Negotiable Instruments/Payments
Outcomes	<ul style="list-style-type: none"> • Identify the various types of deposit accounts offered by banks and credit unions. • Describe the nature of the contractual relationship between the depositor and the bank or credit union. • Explain the differences between the various account titles. • Describe the components and processes of checking.
Readings	<ul style="list-style-type: none"> • Regulation DD - Truth in savings. • CDARS: Beat the \$100,000 FDIC Limit. • Consumers and mobile Financial Services • BankAtlantic Launches the Personal Liquid Certificate of Deposit • Remote deposit capture overview • Are paper checks becoming obsolete?
Lectures	Deposits and Negotiable Instruments
Discussion	<p>The Future of Checking</p> <p>Question:</p> <p>Although use of digital payments is increasing, plenty of consumers still rely on paper checks to make payments. While supporting their customers' existing needs, how are banks attempting to encourage their customers to using more cost-efficient, electronic methods for making payments?</p>
Assignments	<p>Writing Assignment</p> <p>Question:</p> <p>The new same-day ACH rules allow for faster settlement of electronic payments via the automated clearinghouse network. Still, the ACH system is an antiquated infrastructure and is it questionable whether or not to develop it or leave it behind. Should the ACH network be built upon, and if so, what are the benefits of doing so? Or should the ACH network be replaced with a new platform or platforms to meet consumers' needs?</p> <p>&</p> <p>Final Project – Phase 1 Identify Your Research Topic</p> <p>Select any topic related to the banking industry that interests you. Submit a document with a paragraph that describes the purpose for your research. It is helpful to write your topic as a focused research question.</p>
Quiz	Refer to your course

Week 4 Customer Service & Sales	
Outcomes	<ul style="list-style-type: none"> Analyze how customer relations are built by sales, marketing and other departments in a bank or credit union. Explain how to meet customer expectations. Discuss how to sell effectively. Describe effective bank product development.
Readings	<ul style="list-style-type: none"> It's a people business Building assets, building relationships: Bank strategies for encouraging lower-income households to save When customers complain, banks must get the message Marketing strategies - differentiation: Standing out from the crowd The influence of socio-demographic variables on customer satisfaction and loyalty in the private banking industry
Lectures	Customer Service and Sales
Discussion	<p>Service Excellence</p> <p>Question:</p> <p>Name one company (not a financial institution) that provides exceptional customer service. Research the company's customer service policy. Describe what makes their service outstanding. Explain how those same behaviors can be applied in the banking industry to build customer relationships.</p>
Assignments	<p>Writing Assignment</p> <p>Question:</p> <p>Analyze the level of customer service at your company and its ability to build customer relationships using a market-driven strategy. In what ways does your company meet customer expectations? Also, what is one improvement your company could make to strengthen its relationships with customers? Describe this improvement in detail.</p>
Quiz	Refer to your course

Week 5	Non-traditional bank products and services
Outcomes	<ul style="list-style-type: none"> • Explain cash management services for businesses • Differentiate insurance products banks/credit unions offer • Identify bank trust services • Research laws and regulations that pertain to non-traditional services
Readings	<ul style="list-style-type: none"> • Treasury trends: Bank relationships & bank report cards. • Foreign banks and the federal reserve • Opportunity after knocks: Cash management: After the storm: Navigating a post crisis world • Advancing service in a digital age • FICO Survey: American millennials will step up use of non-traditional banking services this year
Lectures	Non-Traditional Bank Products and Services
Discussion	<p>Banking Trends</p> <p>Question:</p> <p>Banking is constantly changing. What is on the horizon for the banking industry in the coming year? Describe a product or trend that is currently developing.</p>
Assignments	<p>Writing Assignment</p> <p>Question:</p> <p>In the past, traditional financial institutions faced little or no competition, so they played a vital role in the lives of consumers. Today, however, there are a growing number of non-bank competitors that provide financial services. Provide a numbered list of five non-bank competitors. Describe each competitor's core products and services. Also, describe how each entity is encroaching upon the business of traditional banks.</p>
Quiz	Refer to your course

Week 6	Lending
Outcomes	<ul style="list-style-type: none"> • Explain the importance of the lending function. • Outline the lending products available to bank customers. • Identify the steps in the lending process. • Summarize the laws and regulations that pertain to lending.
Readings	<ul style="list-style-type: none"> • Credit bureaus & FICO score calculation • Default rates easing, except on credit cards • Consumer financial protection bureau
Lectures	Lending
Discussion	<p>Lending Environment</p> <p>Question:</p> <p>Describe the current state of the mortgage industry. How does it compare to the state of the mortgage industry just after the subprime mortgage crisis?</p>
Assignments	<p>Writing Assignment</p> <p>Question:</p> <p>Write a numbered list of five important bank regulations related to lending. Provide background information about each regulation. Also, explain the importance of each rule.</p>

Week 7 Bank Investments & Profitability Management	
Outcomes	<ul style="list-style-type: none"> Analyze typical performance measures in banking. Explain risk management criteria. Describe quantitative metrics of bank performance. Characterize financial performance reports
Readings	<ul style="list-style-type: none"> Banking and finance; reports from university of South Carolina advance knowledge in banking and finance Viewpoint: Local Data Key to Better Branch Performance Awareness and perception of CAMEL rating across banks: Some survey evidence Banking on acceptable risk The profitable business of lending to subprime borrowers
Lectures	Bank Investments and Profitability Management
Discussion	<p>Capital: Asset Ration</p> <p>Question:</p> <p>Research the capital-to-asset ratio of a financial institution and summarize how it stands in relation to its regulatory requirement. Has the institution's capital position improved or weakened over the last three years?</p>
Assignments	<p>Final Project –Completion and Submission</p> <p>This week's assignment is to finalize your research paper.</p>

Week 8 Safekeeping Customer Assets	
Outcomes	<ul style="list-style-type: none"> Evaluate fraud and other crimes Argue how banks protect customers and their privacy Outline how banks contribute to the protection of all citizens Examine how banks secure data.
Readings	<ul style="list-style-type: none"> Massachusetts gets tough on data security Safeguarding the customer experience

	<ul style="list-style-type: none"> • Selling security - Banks are starting to realize that safeguarding customer data can reap rewards that go well beyond simple compliance and actually boost their bottom lines • Technology: Data - plugging the leak - the banking industry has suffered A number of huge data breaches. Michelle Price finds out where the weak points are. • Virtually insecure • Mobile banking; Generational differences
Lectures	Safeguarding Customer Assets
Discussion	<p>Reflection</p> <p>Question:</p> <p>Take a few moments to reflect on what you have learned throughout this course. Construct a paragraph explaining to your peers how the material learned in this course will assist you in your future work. What specific areas of banking did you find most helpful towards your future endeavors?</p>
Assignments	<p>Writing Assignment</p> <p>Question:</p> <p>Define what a best practice is, and how it differs from a standard practice. Describe in detail three best practices that a financial institution can follow to protect their customers' identity, information, and assets.</p>
Quiz	Refer to your course

Grading and Evaluation

Your grades will reflect the way in which you present and support your topics and positions in the various learning activities used in this course. The grades will be based on the quality and quantity of your comments and responses in the various activities.

Be sure to review the discussion and assignment rubrics in the course for specific grading criteria.

The various graded activities are weighted as follows:

Course Element	% of Final Grade
Assignments	25%
Discussions	25%
Quizzes	20%
Final Project	30%
Total	100%

Students will be expected to meet all the deadlines of the class as indicated throughout the course and in the syllabus. This is primarily so we don't get behind in the course. In addition, discussions cannot overlap from one week to the next. This is to ensure that all discussions and submissions take place within the week they are scheduled in order to be of value to the entire class as well as to help you not get behind. If there are extenuating circumstances, you will need to communicate that to the instructor and make arrangements accordingly, if appropriate.

Late Assignments: Exceptions are to be determined by the instructor on a case-by-case basis. There will be no opportunities for extra credit.

Learner Success Guidelines

These guidelines are provided to help you succeed in your coursework:

- Participate in the class introduction activity on the first day of class.
- Submit ALL assignments by the posted due dates and times.
- Check your emails daily.
- Put your first and last name and your course number (i.e., Joan Brown, ENG101), on each of the emails you send to your Professor and/or other staff.
- Participate fully in all threaded discussions.
- Contact the Canvas Help Desk for resolutions to your technology problems.
- Contact your instructor if you have questions about an assignment or need additional help completing your work successfully.
- Academic dishonesty is grounds for dismissal from the program.

Academic Policies

Please review all Academic Policies found in the [Student Resource Center](#).

Disclaimer

As a disclaimer, any materials in or related to this course are provided for educational purposes only and not for the purpose of providing any legal, financial, accounting, tax or other professional advice or services. The information provided in this class is of a general nature, and it cannot substitute for the advice of a licensed professional in any respect. The application and effect of laws may vary widely depending on the specific facts and jurisdiction, and no representation or warranty is made with respect to the accuracy of any materials in or related to the course. Accordingly, the information provided is solely for general educational purposes.

Caveat

The above schedule, content, and procedures in this course are subject to change. All policies are superseded by the latest College Catalog available on our website:

<https://www.cambridgecollege.edu/student-rights-complaints-grievances/student-code-conduct>