
PRESCRIPTION: 670 ADVANCED BANKING

This prescription replaces *270 Advanced Banking*.

ELECTIVE PRESCRIPTION

LEVEL	6
CREDIT	20
VERSION	1
INTRODUCED	2006
AIM	Students will apply aspects of strategic management within banks.
PREREQUISITES	Recommended <i>400 Accounting Principles</i> and <i>570 Introduction to Banking and Financial Services</i> or equivalent knowledge and skills.

ASSESSMENT WEIGHTINGS

Learning outcomes	Assessment weighting %
1. Students will analyse bank profitability.	20
2. Students will evaluate and manage risks in the banking industry for strategic purposes.	20
3. Students will apply business planning processes to banks.	25
4. Students will evaluate the applicability of marketing to the banking industry for strategic reasons.	15
5. Students will research a contemporary issue influencing banks.	20
TOTAL	100

All learning outcomes must be evidenced; a 10% aggregate variance is allowed.

ASSESSMENT NOTES

1. Assessment materials should reflect relevant and current legislation, standards, regulations and acknowledged good industry/business practices.
2. Learning outcome three requires that the strategic choice is from the bank's point of view. It can incorporate direction, pricing, types of products, advertising and clientele.

LEARNING OUTCOME ONE

Students will analyse bank profitability.

Key elements

- a) General Disclosure Statement, Key Information Summary and Financial Statement.
- b) Trends, changing components, net-interest income, non-interest income and the impact of interest rate movements.
- c) Revenue, expense and cost control.
- d) Capital requirements on bank's profitability, balance sheet and off balance sheet products.

LEARNING OUTCOME TWO

Students will evaluate and manage risks in the banking industry for strategic purposes.

Key elements

- a) General Disclosure Statement, Key Information Summary and Financial Statement.
- b) Types of risks:
 - evaluation
 - management.
- c) Risk minimisation.
- d) Asset and liability management including consideration of risk return.

LEARNING OUTCOME THREE

Students will apply business planning processes to banks.

Key elements

- a) Strategic choices.
- b) Components of a business plan:
 - environmental scan
 - SWOT analysis
 - objectives
 - other relevant factors.
- c) Performance measurement targets.

LEARNING OUTCOME FOUR

Students will evaluate the applicability of marketing to the banking industry for strategic reasons.

Key elements

- a) Market segmentation, targeting and positioning.
- b) Marketing mix:
 - product
 - pricing
 - promotion including cross-selling.
 - place/distribution.
- c) Marketing information and research.

LEARNING OUTCOME FIVE

Students will research a contemporary issue influencing banks.

Key elements

- a) A contemporary issue from one of the following topics:
 - technology
 - structure and composition of NZ banking sector
 - regulation and supervision
 - risk and security
 - future directions.