



ÇANKAYA UNIVERSITY

Faculty of Economics and Administrative Sciences

Course Definition Form

Part I. Basic Course Information

Department Name	BANKING AND FINANCE	Dept. Numeric Code	3 5
Course Code	B A F 4 2 1	Number of Weekly Lecture Hours	3
		Number of Weekly Lab/Tutorial Hours	0
Course Web Site	http:// bf.cankaya.edu.tr	ECTS Credit	0 5

Course Name and Other Course Information

This information will appear in the printed catalogs and on the web online catalog.

English Name	Asset-Liability Management
Turkish Name	Aktif-Pasif Yönetimi
Mode of Delivery	Face to Face
Language of Instruction	English

Course Description

Provide a brief overview of what is covered during the semester. This information will appear in the printed catalogs and on the web online catalog. Maximum 60 words.

This course will focus on the financial management and regulation of financial institutions, with a primary focus on banks, especially depository ones. Students should be able to comprehend the various forms of risks faced by intermediaries and the trade-offs required in order to balance risks and returns. The focus will be on the modern techniques of asset, liability and risk management, with an emphasis on the regulatory issues of capital adequacy, and risk-shifting as they affect the safety and soundness of the financial system.

Prerequisites (if any) <i>Give course codes and check all that are applicable.</i>	1 st	2 nd	3 rd	4 th
	<input type="checkbox"/> Consent of the Instructor	<input type="checkbox"/> Senior Standing	<input type="checkbox"/> Give others, if any.	
Co-requisites (if any)	1 st	2 nd	3 rd	4 th
Course Type <i>Check all that are applicable</i>	<input type="checkbox"/> Must course for dept. <input type="checkbox"/> Must course for other dept.(s) <input checked="" type="checkbox"/> Elective course for dept. <input checked="" type="checkbox"/> Elective course for other dept.(s)			

Part II. Detailed Course Information

Course Objectives

Maximum 100 words.

This course aims to familiarize the participants with policies, techniques and strategies involved in effective management of assets and liabilities and to develop skilled manpower needed for effective management of various risks that arise from bank's dealing with assets and liabilities. We will set fundamental basis for the strategic management of bank balance sheet and funding structure and its cost, relationship between profit and asset-liability management, off-balance-sheet items of banks, risks for banks, interest rate and foreign exchange management tools, hedging techniques and derivatives to manage interest rate risk, duration analysis, transfer pricing, cost calculation, pricing and their applications

Learning Outcomes

Explain the learning outcomes of the course. Maximum 10 items.

- Have a solid understanding of the Asset & Liability Management (ALM) process
- Recognize and understand how the ALM concepts affect day-to-day decision-making in a bank
- Better identify and analyze a bank's exposure to the key sources of financial risk
- Be able to identify the various strategies and frameworks that banks employ in order to control risks within specified limits
- Better interpret the balance sheet of a bank as well as being able to identify the key drivers of performance
- Be able to function more effectively, directly or indirectly, as part of the ALM process in their bank

Textbook(s)

List the textbook(s), if any, and other related main course material.

Author(s)	Title	Publisher	Publication Year	ISBN
Moorad Choudry	Bank Asset and Liability Management: Strategy, Trading, Analysis	Wiley	2007	978-0-470-82135-0

Reference Books

List, if any, other reference books to be used as supplementary material.

Author(s)	Title	Publisher	Publication Year	ISBN

Teaching Policy

Explain how you will organize the course (lectures, laboratories, tutorials, studio work, seminars, etc.)

In conducting the course, lectures will be accompanied with examples and case studies.

Laboratory/Studio Work

Give the number of laboratory/studio hours required per week, if any, to do supervised laboratory/studio work and list the names of the laboratories/studios in which these sessions will be conducted.

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Computer Usage

Briefly describe the computer usage and the hardware/software requirements for the course.

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Course Outline

List the weekly topics to be covered.

Week	Topic(s)
1	Bank business
2	Bank capital
3	Asset–liability management
4	ALM trading principles
5	Yield curve
6	Liquidity risk management
7	Midterm Week
8	Credit risk management
9	Operational risk management
10	Financial instruments, applications and hedging
11	Funding and balance sheet management using securitisation and structured credit vehicles
12	Free fund ration
13	Duration analysis
14	Bank regulatory capital and the Basel rules

Grading Policy								
<i>List the assessment tools and their percentages that may give an idea about their relative importance to the end-of-semester grade.</i>								
Assessment Tool	Quantity	Percentage	Assessment Tool	Quantity	Percentage	Assessment Tool	Quantity	Percentage
Homework			Case Study			Attendance		
Quiz(es)			Lab Work			Field Study		
Midterm Exam	1	40	Classroom Participation	42	10	Project		
Term Paper			Oral Presentation			Final Exam	1	50

ECTS Workload			
<i>List all the activities considered under the ECTS.</i>			
Activity	Quantity	Duration (hours)	Total Workload (hours)
Attending Lectures (<i>weekly basis</i>)	14	1	14
Attending Labs/Recitations (<i>weekly basis</i>)			
Compilation and finalization of course/lecture notes (<i>weekly basis</i>)	14	1	14
Collection and selection of relevant material (<i>once</i>)	1	5	5
Self study of relevant material (<i>weekly basis</i>)	14	1	30
Take-home assignments			
Preparation for quizzes			
Preparation for mid-term exams (<i>including the duration of the exams</i>)	1	15	30
Preparation of term paper/case-study report (<i>including oral presentation</i>)			
Preparation of term project/field study report (<i>including oral presentation</i>)			
Preparation for final exam (<i>including the duration of the exam</i>)	1	15	35
TOTAL WORKLOAD / 25			128/25=5,12
ECTS Credit			5

Program Qualifications vs. Learning Outcomes <i>Consider the program qualifications given below as determined in terms of learning outcomes and acquisition of capabilities for all the courses in the curriculum. Look at the learning outcomes of this course given above. Relate these two using the Likert Scale by marking with X in one of the five choices at the right.</i>						
No	Program Qualifications	Contribution				
		0	1	2	3	4
BAF-1	Be able to monitor and analyze the dynamics of banking and financial markets.					x
BAF-2	Be able to utilize the basic knowledge that obtained with an interdisciplinary approach to business, economics, etc. in creating expertise in the fields of Banking and Finance in accordance with the requirements of the globalized business environment.				x	
BAF-3	Be able to identify and analyze the validity of theories related to the banking and finance and their relationships regarding current conditions.				x	
BAF-4	Have a good knowledge of the regulations and legislation underpinning the financial markets and institutions.			x		
BAF-5	Have the ability to efficiently perform all responsibilities of managerial finance within a corporation.				x	
BAF-6	Be able to use quantitative techniques and methods that are predominantly used in banking and finance.					x
BAF-7	Be able to use the theoretical and practical knowledge obtained in his/her field in analyzing and evaluating data.					x
BAF-8	Be able to construct, analyze and interpret financial and economic models					x
BAF-9	Be able to understand and evaluate the problems in baking and finance and to discuss and express his/her opinions clearly.				x	
BAF-10	Gain self-evaluation skills to identify exactly his/her self-learning and self-improvement needs, being at the same time equipped with the capacity to follow advanced courses and degree studies.				x	
BAF-11	To maintain scientific, social, and ethical standards when collecting, interpreting, and disseminating financial information, and in application of financial ideas.			x		

Scale for contribution to a qualification: 0-none, 1-little, 2-moderate, 3-considerable, 4-highest