

Introduction to Financial Services Sector

Course Code: LIBFBBAEFFB01

Study Level	Language of Instruction and Examination		CP	Admission Requirements
BA	Englisch		5	none

Course Description

This is an introductory module that exposes you to key forces driving change in the financial services industry. The module is designed to provide an introduction to the environment within which the financial services industry operates and to explore the main components of the financial system.

Traditionally, banks have been acting as intermediaries between borrowers and lenders, but changes to this model have generated expansion of the industry as well as increased risks. Several main players are considered, namely the central bank, commercial banks, retail banks, global investment banks, asset managers, hedge funds, insurance companies, private wealth managers, brokers, stock exchanges, and regulators.

Course Outcomes

On successful completion, students will be able to

- demonstrate knowledge and understanding of financial institutions and identify the different types of services that they provide to meet the needs of their customers.
- explain the issues that arise in the intermediation and disintermediation of banks.
- discuss the types of risk that affect financial institutions and how to mitigate them.
- discuss current issues in the financial services sector.

Contents

1. History of Banking
 - 1.1 Money
 - 1.2 Development of Banking System
2. Deposit-Taking and Non-Deposit Taking Financial Institutions
 - 2.1 Depository (eg Banks, Building Societies)
 - 2.2 Non-Depository (eg Pension Funds, Unit Trusts, Insurance Companies)
 - 2.3 Financial Intermediaries and the Products They Deal In
 - 2.4 Non-Marketable Securities

3. Central Banks
 - 3.1 Structure
 - 3.2 Functions
 - 3.3 Comparison of World Central Banks
4. Capital Markets
 - 4.1 Financial Markets – And the Products They Deal In
 - 4.2 Marketable Securities
5. Interest Rates and Derivatives
 - 5.1 The Important Relationship Between Risk, Term and Return
 - 5.2 Market Participants
6. Current Developments
 - 6.1 Wider Societal Implications Are Considered e.g. Financial Inclusion, Fossil Fuels/ Extractive Industries Finance
 - 6.2 Socially Responsible Investments and Environmental, Societal and Governance Issues

Literature

Compulsory Reading

- Introduction to Banking: Barbara Casu, Claudia Girardone, Philip Molyneux. Pearson Higher Ed, 17 Apr 2015
- Industry reports and industry conference proceedings (online) as directed (updated in each iteration). Other general reading as directed by the module lead.

Further Reading