

## COURSE OUTLINE: INTERNATIONAL BANKING AND FINANCE

### GENERAL

<b>SCHOOL</b>	ECONOMICS AND BUSINESS		
<b>ACADEMIC UNIT</b>	ECONOMICS		
<b>LEVEL OF STUDIES</b>	UNDERGRADUATE		
<b>COURSE CODE</b>	OA103	<b>SEMESTER</b>	7th (Major B)
<b>COURSE TITLE</b>	INTERNATIONAL BANKING AND FINANCE		
<b>INDEPENDENT TEACHING ACTIVITIES</b> <i>if credits are awarded for separate components of the course, e.g. lectures, laboratory exercises, etc. If the credits are awarded for the whole of the course, give the weekly teaching hours and the total credits</i>		<b>WEEKLY TEACHING HOURS</b>	<b>CREDITS</b>
		3	6
<i>Add rows if necessary. The organisation of teaching and the teaching methods used are described in detail at (d).</i>			
<b>COURSE TYPE</b> <i>general background, special background, specialized general knowledge, skills development</i>	GENERAL BACKGROUND		
<b>PREREQUISITE COURSES:</b>	NO		
<b>LANGUAGE OF INSTRUCTION and EXAMINATIONS:</b>	GREEK		
<b>IS THE COURSE OFFERED TO ERASMUS STUDENTS</b>	YES		
<b>COURSE WEBSITE (URL)</b>	<a href="http://eclass.uth.gr/eclass/modules/document/?course=ANTMB102">http://eclass.uth.gr/eclass/modules/document/?course=ANTMB102</a>		

## LEARNING OUTCOMES

### Learning outcomes

The course learning outcomes, specific knowledge, skills and competences of an appropriate level, which the students will acquire with the successful completion of the course are described.

Consult Appendix A

- Description of the level of learning outcomes for each qualifications cycle, according to the Qualifications Framework of the European Higher Education Area
- Descriptors for Levels 6, 7 & 8 of the European Qualifications Framework for Lifelong Learning and Appendix B
- Guidelines for writing Learning Outcomes

This course is a **mandatory** course in the **Banking and Finance specialization** (B' direction) and falls within the field of **Banking and Financial Technology**,, with the following learning objectives:

### Learning Objectives:

- (a) To provide students with the necessary **theoretical foundation** in the field of **foreign exchange markets and banking**.
- (b) To **compare theory with real-world applications** in the modern **globalized financial market**.
- (c) To introduce students to the **concept of exchange rate systems, banking risks, and their management** by financial institutions.
- (d) To familiarize students with the **functioning of the foreign exchange and capital markets** and their role in **monetary policy implementation** within a broader **macroeconomic policy framework**.

### Upon Successful Completion of the Course, Students Will Be Able To:

- Understand the **key banking risks** faced by modern banks.
- Comprehend the **Eurocurrency market** and the **participation of banks in the foreign exchange market**.
- Be familiar with fundamental **theories on exchange rate determinants**, such as **covered and uncovered interest rate parity** and **purchasing power parity**.
- Understand **banking operations and regulatory frameworks**, including **Basel I, II, and III**.
- Identify the **determinants of banking and monetary crises**.
- Recognize the **global debt problem** and the policies used to address it.
- Understand key concepts necessary to distinguish between:
  - **Spot and forward exchange rates**
  - **Fixed vs. floating exchange rate systems**
  - **Forward vs. current interest rates**
  - **Futures contracts, forward contracts, and options**
- Understand how **derivative products** can be used by banks to **manage financial risks**.

### General Competences

Taking into consideration the general competences that the degree-holder must

<i>acquire (as these appear in the Diploma Supplement and appear below), at which of the following does the course aim?</i>	
<i>Search for, analysis and synthesis of data and information, with the use of the necessary technology</i>	<i>Project planning and management</i>
<i>Adapting to new situations</i>	<i>Respect for difference and multiculturalism</i>
<i>Decision-making</i>	<i>Respect for the natural environment</i>
<i>Working independently</i>	<i>Showing social, professional and ethical responsibility and sensitivity to gender issues</i>
<i>Team work</i>	<i>Criticism and self-criticism</i>
<i>Working in an international environment</i>	<i>Production of free, creative and inductive thinking</i>
<i>Working in an interdisciplinary environment</i>	<i>.....</i>
<i>Production of new research ideas</i>	<i>Others...</i>
	<i>.....</i>
<i>Working in an international environment</i>	
<i>Decision-making</i>	

## SYLLABUS

The course focuses on **international financial markets and international banking**. Special emphasis is placed on the **foreign exchange market** and issues related to the **organization and expansion of banks globally**. Specifically, the topics covered include:

1. International Exchange Rate Systems and Their Functioning
2. International Money Market: Operations and Products
3. International Lending and Techniques of Global Financing
4. Key Banking Risks
5. Credit Risk Analysis
6. Global Bond Markets
7. The Term Structure of Interest Rates
8. Offshore Banking Centers
9. The Problem of Debt Overhang in Developing Countries and Financial Crises
10. The Banking Market: Size and Characteristics of Banks
11. Banking Supervision – Basel I, II, III
12. Derivative Financial Instruments

The course content is divided into **three parts**:

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### Part A: A Framework for International Finance

1. **Introduction to the International Financial Environment**
  - Financial System: Origin, Role, and Functions
  - Financial Instruments, Markets, and Institutions
  - Financial Risks
2. **Central Banks, Foreign Exchange Market, and Interest Rates**
  - International Banking and Exchange Rate Regimes: Historical Evolution
  - Exchange Rates and the International Foreign Exchange Market
  - Exchange Rates, Interest Rates, and Inflation

- Fixed vs. Floating Exchange Rate Regimes
- 3. Exchange Rate Determination Models**
  - Exchange Rate Systems
  - The European Monetary System

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## **Part B: International Money and Capital Markets**

- 4. International Money Market**
  - Structure and Function of the Money Market
  - Globalization of the Money Market: Causes and Effects
  - Eurocurrency Market and Eurodollar Deposits
  - Factors Driving the Growth of the Eurodollar Market
  - Yields on Money Market Instruments
  - Products of the International Money Market
- 5. International Bond Market & The Term Structure of Interest Rates**
  - Global Bond Market: Characteristics and Function
  - The Eurobond Market
  - Bond Valuation
  - The Term Structure of Interest Rates
  - Differences Between Spot and Forward Interest Rates

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## **Part C: International Banking**

- 6. Forms of Organization and Supervision in International Banking**
  - International Banking
  - International Banking Centers
  - Organization of Global Banking Operations
  - International Banking Supervision Systems
  - Basel Committee and Value at Risk (VaR)
- 7. Financial Derivatives: Types of Investors and Derivatives**
- 8. International Financial Crises: Case Studies**
- 9. The Problem of Global Debt and International Debt Overhang**
  - Causes of International Debt Accumulation
  - Global Debt and Economic Instability
  - The Role of the **IMF**
  - Modern Techniques for Addressing Global Debt Problems

## **TEACHING and LEARNING METHODS - EVALUATION**

<b>DELIVERY</b> <i>Face-to-face, Distance learning, etc.</i>	Face-to-face
<b>USE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY</b> <i>Use of ICT in teaching, laboratory education, communication with students</i>	<p>→ Use of the e-class electronic platform for posting:</p> <p>(a) Lecture notes,</p> <p>(b) Tutorial exercises,</p> <p>(c) Announcements.</p> <p>→ Use of a web browser to present case studies related to both the foreign exchange market and international banking</p>

	management, connecting them to practical applications.																		
<p><b>TEACHING METHODS</b></p> <p><i>The manner and methods of teaching are described in detail. Lectures, seminars, laboratory practice, fieldwork, study and analysis of bibliography, tutorials, placements, clinical practice, art workshop, interactive teaching, educational visits, project, essay writing, artistic creativity, etc. The student's study hours for each learning activity are given as well as the hours of non-directed study according to the principles of the ECTS</i></p>	<table border="1"> <thead> <tr> <th><b>Activity</b></th><th><b>Semester workload</b></th></tr> </thead> <tbody> <tr> <td>Lectures</td><td>39</td></tr> <tr> <td>Study and analysis of bibliography</td><td>82</td></tr> <tr> <td>Solving Exercises</td><td>40</td></tr> <tr> <td>Meetings and examination of essay progress</td><td>15</td></tr> <tr> <td>Mandatory Progress Test</td><td>2</td></tr> <tr> <td>Exams</td><td>2</td></tr> <tr> <td></td><td></td></tr> <tr> <td>Course total</td><td><b>180</b></td></tr> </tbody> </table>	<b>Activity</b>	<b>Semester workload</b>	Lectures	39	Study and analysis of bibliography	82	Solving Exercises	40	Meetings and examination of essay progress	15	Mandatory Progress Test	2	Exams	2			Course total	<b>180</b>
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<p><b>STUDENT PERFORMANCE EVALUATION</b></p> <p><i>Description of the evaluation procedure</i></p> <p><i>Language of evaluation, methods of evaluation, summative or conclusive, multiple choice questionnaires, short-answer questions, open-ended questions, problem solving, written work, essay/report, oral examination, public presentation, laboratory work, clinical examination of patient, art interpretation, other.</i></p> <p><i>Specifically-defined evaluation criteria are given, and if and where they are accessible to students.</i></p>	<p>(1) <b>Written Mandatory Progress Test (Non-Exemptive) (30%)</b> with multiple-choice questions covering the following topics:</p> <ol style="list-style-type: none"> <li>1. International Exchange Rate Systems and Their Functioning</li> <li>2. International Money Market: Operations and Products</li> <li>3. International Lending and Techniques of Global Financing</li> <li>4. Key Banking Risks</li> <li>5. Credit Risk Analysis</li> <li>6. Global Bond Markets</li> </ol> <p>(2) <b>Final Written Semester Examination (70%)</b>, covering the <b>entire syllabus</b>, including <b>knowledge development, comprehension, and analytical questions</b>, as well as a section with <b>multiple-choice questions</b>.</p> <p>All the above information is made available to students at the <b>beginning of the semester</b> through the course's <b>electronic platform on e-class</b>.</p>																		

## ATTACHED BIBLIOGRAPHY

### **Greek Sources**

- **Siriopoulos, K., Papadamou, S. (2024)** *Introduction to Banking Economics & Capital Markets*. Publisher: Utopia.
- **Saunders, Anthony, Cornett, Marcia M. (2019)** *Financial Markets and Institutions*. Publisher: Broken Hill Publishers Ltd (SC).
- **Noulas, A.G. (2015)** *Money and Banks*. University of Macedonia, Publisher: Anikoula.
- **Antzoulatos, A. (2020)** *Bank Management and Strategy*. Athens: Diplographia.
- **Howells, P., & Bain, K. (2009)** *Money, Credit, and Banks: A European Approach*. Publisher: Kritiki S.A.
- **Leventakis, I. (2003)** *International Macroeconomics & Finance*. Publisher: Stamoulis.
- **Zachariadis-Souras, D. (2002)** *Money - Credit - Banks, 2nd edition*. Publisher: Stamoulis.

### **Foreign Sources**

- **Pilbeam, K. (2006)** *International Finance*. Publisher: Palgrave Macmillan.
- **Mishkin, F.S. (2015)** *The Economics of Money, Banking, and Financial Markets (11th International Edition)*. Publisher: Addison-Wesley.

### **Related academic journals**

- *Journal of International Money and Finance*
- *Journal of International Finance and Economics*
- *Journal of Money and Credit*
- *Credit and Capital*
- *Journal of Banking and Finance*
- *Journal of International Financial Markets, Institutions and Money*