

**NATIONAL UNIVERSITY OF LIFE
AND ENVIRONMENTAL SCIENCES OF UKRAINE**

Department of Banking and Insurance

“CONFIRMED”

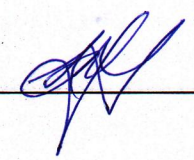
Dean of the Faculty of Economics
 (Anatoli DIBROVA)

“30” May 2023

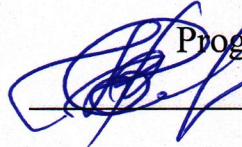


“APPROVED”

at the meeting of the department of
Banking and insurance
Protocol № 10 dated “29” May 2023.

Head of Department
 (Viktoriia KOSTIUK)

“REVIEWED”

Program Coordinator
 (Julia BILIAK)

PROGRAM OF THE COURSE

“BANKING SYSTEM”

Specialization: 072 – Finance, banking and insurance

Educational program: Korporative Finance

Faculty: Economics

Developers: Ph.D. in Economics, Associate Professor Viktoriia KOSTIUK,
Ph.D. in Economics, Associate Professor Olga FAICHUK
(position, academic degree, academic title)

Kyiv - 2023

1. Description of the course

Banking System

Field of knowledge, specialty, educational program, educational degree		
Educational degree	07 «Management and Administration»	
Specialty	072 “Finance, banking and insurance”	
Educational program	Bachelor	
Characteristics of the study discipline		
Type	Compulsory	
Total number of hours	150	
Number of ECTS credits	5	
Number of content modules	3	
Course project (work) (if applicable)	-	
Form of assessment	Exam	
Characteristics of the full time and part time training type		
	full-time education	Part-time form of study
Course (year of study)	3	-
Semester	2	-
Lecture classes	30	-
Practical, seminar classes	30	-
Self-study	-	-
Individual assignments	90	-
Number of weekly classroom hours for the full-time form of study	-	-
Course (year of study)	3	-
	-	-

2. Purpose, objectives, and competencies of the course

Banking and monetary institutions are an essential component of our lives. More and more professionals are acquiring knowledge in this area for professional advancement or personal knowledge. Banking courses can give individuals the knowledge needed to fulfill their goals and advance careers.

The study course “Banking System” provides an introduction to the study of domestic and global banking system services and financial institutions; students also compare the operations of national and state banks. Students examine the principles of banking transactions and the various services of a bank. Topics include the history of banking, item processing, collection functions, procedures, bookkeeping, loans and investments, and trust operations. They also look at the

function of the National Bank of Ukraine, International Monetary Fund and transnational banks.

Coursework will include an overview of both the national and international banking systems and regulations that govern the lending, investment and holding of funds. Students will also learn about the commercial and consumer lending, financial auditing and how to assess a debtor's ability to pay off loans.

The discipline "Banking System" is a logical continuation of the following disciplines: "Finance", "Financial Market", "Money and Credit", "Corporate Finance" and "Investment".

The course begins by identifying and explaining the many instruments and markets banks use and operate in. It then provides an overview of the roles of banks and other financial organizations in advanced financial systems and the value they add to economies. Balance sheet and profit and loss statements are analyzed to understand banks' commercial and investment activities. Financial ratios from these statements are calculated to compare commercial banks' relative financial performance and areas for improvement. A bank's credit and interest rate exposures are also considered as well as methods to quantify and manage them.

Learning outcomes:

- To understand the banking system and how it operates; differences and similarities between banking and financial systems;
- To find out the core principals of banking, bank main activities and services (traditional and nontraditional);
- To analyze the way the Central Bank provide their monetary policy, its tools, instruments and impact on long-term and short-term financial and economic policy of the country;
- To learn the role and functions of the International Monetary Fund on its present stage;
- To study the procedure of the commercial bank's founding, licensing and organization of its activities;
- To understand how the commercial banks fulfill their lending, investment and other types of activities;
- To learn how to analyze the liquidity and solvency and creditworthiness of the potential borrower etc.

Acquisition of competencies:

Integral competence (IC): The ability to solve complex tasks and problems in the process of professional, educational and research activities in the field of finance, banking and insurance.

General competences (GC):

- GC02. Ability to apply knowledge in practical situations;
- GC 05. Skills in using information and communication technologies;
- GC 06. Ability to conduct research at the appropriate level;

- GC 07. Ability to learn and master modern knowledge;
GC 08. Ability to search, process and analyze information from various sources;
GC 10. Ability to work in a team;
GC 11. Ability to communicate with representatives of other professions of groups of different levels (with experts from other fields of knowledge/types of economic activity).

Professional (special) competences (PC):

- PC01. The ability to research trends in the development of the economy using the tools of macro- and microeconomic analysis, to evaluate modern economic phenomena;
PC02. Understanding the peculiarities of the functioning of modern global and national financial systems and their structure;
PC03. Ability to diagnose the state of financial systems (state finances, including budget and tax systems, finances of business entities, household finances, financial markets, banking system and insurance);
PC05. Ability to apply knowledge of legislation in the field of monetary, fiscal and financial market regulation;
PC06. Ability to use modern information and software for obtaining and processing data in the field of finance, banking and insurance;
PC07. Ability to prepare and analyze financial statements;
PC08. Ability to perform control functions in the field of finance, banking and insurance;
PC10. Ability to determine, justify and take responsibility for professional decisions;
PC11. The ability to maintain an appropriate level of knowledge and constantly improve one's professional training;
PC12. The ability to form and make professional decisions in the field of finances of business entities in the agrarian sector of the economy;
PC13. The ability to analyze and forecast the main trends in the development of the agricultural sector with appropriate financial and credit support and insurance protection.

Program learning outcomes (PLO):

- PLO1. Know and understand economic categories, laws, causal and functional relationships that exist between processes and phenomena at different levels of economic systems.
PLO2. Know and understand the theoretical foundations and principles of financial science, the peculiarities of the functioning of financial systems.
PLO3. Determine the peculiarities of the functioning of modern world and national financial systems and their structure.
PLO4. Know the mechanism of functioning of state finances, including budget and tax systems, finances of business entities, household finances, financial markets, banking system and insurance.
PLO6. Apply appropriate economic and mathematical methods and models for solving financial problems.

PLO7. Understand the principles, methods and tools of state and market regulation of activities in the field of finance, banking and insurance.

PLO8. Apply specialized information systems, modern financial technologies and software products.

PLO10. Identify sources and understand the methodology of determining and methods of obtaining economic data, collect and analyze the necessary financial information, calculate indicators characterizing the state of financial systems.

PLO15. Communicate orally and in writing in a foreign language in professional activities.

PLO20. Perform functional duties in the group, offer sound financial solutions.

PLO22. Know your rights and responsibilities as a member of society, understand the values of a free democratic society, the rule of law, the rights and freedoms of a person and a citizen in Ukraine.

PLO23. Determine achievements and identify the values of society based on understanding the place of the subject area in the general system of knowledge, use different types and forms of motor activity to lead a healthy lifestyle.

3. The program and structure of the educational discipline for:

- complete full-time (part-time) form of study;
- shortened full-time (part-time) form of study.

Names of content modules and topics	Number of hours												
	Full-time form							Part-time form					
	weeks	total	including					total	including				
			1	p	lab	ind	self		1	p	lab	ind	self
1	2	1	2	1	2	1	2	1	2	1	2	1	2
Content module 1. Introduction to the Banking System and its Components													
Topic 1. Introduction to the banking system	1	10	2	2	-	10							
Topic 2. Monetary policy of central banks	2-3	14	2	2	-	10							
Topic 3. International banking system	4-5	14	2	2	-	10							
Total for content module 1		38	6	6	-	30							
Content module 2. Organization and the Main Activities of the Commercial Bank													
Topic 4. Creation and organization of the commercial bank	6-7	22	6	6	-	10							
Topic 5. Formation of the resource base of the commercial bank	8-9	18	4	4	-	10							
Topic 6. Active operations of a commercial bank	10-11	18	4	4	-	10							
Topic 7. Settlement operations of a commercial bank	12-13	18	4	4	-	10							
Total for content module 2		76	18	18	--	40							
Content module 3. Conducting banking operations in the Automated Banking System B2													
Topic 8. Conducting banking operations in the Automated	14-15	36	2	2	-	20		-	1	1		15	-

Banking System B2													
<i>Total for content module 3</i>		36	8	8	-	20		-	1	1		36	
<i>Course project (work) on</i> <i>(if included in the curriculum)</i>			-	-	-	-	-	-	-	-	-	-	-
<i>Total hours</i>	<i>15</i>	<i>150</i>	<i>30</i>	<i>30</i>	<i>--</i>	<i>90</i>		<i>150</i>	<i>8</i>	<i>6</i>		<i>136</i>	

4. Seminar class topics

№	Topic	Hours
1	Introduction to the banking system	2
2	Monetary policy of central banks	2
3	International banking system	2
	Total	6

5. Practical class topics

№	Topic	Hours
1	Creation and organization of the commercial bank	6
2	Formation of the resource base of the commercial bank	4
3	Active operations of a commercial bank	4
4	Settlement operations of a commercial bank	4
5	Conducting banking operations in the Automated Banking System B2	2
	Total	20

6. Laboratory class topics

(not provided for in the curriculum)

7. Independent work topics

№	Topic title	Number of hours
1.	Introduction to the banking system	10
2.	Monetary policy of central banks	10
3.	International banking system	10
4	Creation and organization of the commercial bank	10
5	Formation of the resource base of the commercial bank	10
6	Active operations of a commercial bank	10

7	Settlement operations of a commercial bank	10
8	Conducting banking operations in the Automated Banking System B2	20
	Total	90

8. Samples of control questions, tests to determine the level of knowledge acquisition by students

Control questions:

1. List four functions that banks perform.
2. How do banks help expand and maintain the economy?
3. What functions does the Central Bank perform?
4. Describe the instruments of monetary policy.
5. List and define three types of bank reserves.
6. How does the multiplier effect create new deposits?
7. What factors determine interest rates?
8. Explain the basic idea of compound interest.
9. Describe a certificate of deposit and its maturity date.
10. What do the letters in the formula $P \times R \times T = I$ represent?
11. What is the difference between APR and APY?
12. List the six elements of negotiability for a legal negotiable instrument.
13. Identify four types of endorsement and what effects they have on a negotiable instrument.
14. List six steps in the credit-granting process.
15. Compare and contrast liquidity, credit, and market risk.
16. How do government-backed loans differ from conventional loans?
17. What is the LTV ratio and why is it important to lenders?
18. List one purpose for commercial lending and describe how the loan might be used.
19. What is the debt service coverage ratio (DSCR) and why does a lender prefer to see the highest possible DSCR?
20. What is a line of credit and how would a business use it?

Test tasks: to determine the level of knowledge acquisition by students

1. Spread is:
1) The difference between interest paid and interest received
2) Revenue minus cost
3) The ratio of net income to total assets
4) Total assets – Total liabilities
2. What is liquidity of asset?
1) Liquid assets held by banks and individuals
2) Cash on hand, deposits due from banks, and the percentage required by the Central Bank
3) Measure of how quickly things may be converted to something of value like cash
4) Money deemed legal tender by the government, but not based on or convertible into a commodity
3. Multiplier effect is:
1) Practice of reserving only part of a deposited quantity
2) Tools used to estimate the size of the money supply
3) Phenomenon that creates new deposits from lending

4) Measure of how quickly things may be converted to something of value like cash
<p>4. What is time deposit?</p> <ol style="list-style-type: none"> 1) Savings account earning a competitive interest rate from invested deposits 2) Deposit held for or maturing at a specified time 3) Deposit payable on demand whenever the depositor chooses 4) Account-specific documents outlining the legal rights and responsibilities of both the bank and the account holder
<p>5. Compound interest is:</p> <ol style="list-style-type: none"> 1) Effective rate of interest when compounding is factored in 2) Nominal rate on which interest is calculated per year 3) A transaction made between banks 4) Return calculated by adding interest to principal for next interval
<p>6. Blank endorsement is:</p> <ol style="list-style-type: none"> 1) Least secure type of endorsement 2) Endorsement that transfers the check to another party 3) Endorsement that limits further negotiability 4) A written order or promise to pay a sum of money to a specified party or the person who holds it
7. Calculate the interest earned on a three-year certificate of deposit (CD) with an initial value of \$12,500 earning 7½ percent, compounded annually. What will be the final account balance?
<p>8. What is credit rationing?</p> <ol style="list-style-type: none"> 1) Borrowers who are most willing to accept a high interest rate are the same borrowers who are most likely to default on their loans 2) When banks refuse to provide a loan, or when they lend less than the customer requested 3) When a borrower takes greater risks if they think the harm they will incur from those risks will somehow be minimized 4) When borrowers with certain credit characteristics are more likely to prefer one type of lender to another
9. What portion of a credit card payment goes toward the principal? Suppose you have a balance of \$3,000 on a credit card. Your minimum payment is 6 percent, or \$180 per month, on a card with an APR of 19 percent. How much of that payment will go toward paying the interest?
<p>10. What is Foreclosure?</p> <ol style="list-style-type: none"> 1) Loan with rates that change over the course of the loan 2) At some specified point the entire remaining balance of the loan is due in one single “balloon” payment 3) The difference between the market value of an item and what is owed on it 4) When a creditor seeks a court-ordered sale of a property due to non-payment of a mortgage
<p>11. Medium of Exchange is:</p> <ol style="list-style-type: none"> 5) The difference between interest paid and interest received 6) An agreed-upon system for measuring value of goods and services 7) To banks, deposits represent this type of obligation 8) Anything of value that can be readily exchanged
<p>12. Fiat Money is:</p> <ol style="list-style-type: none"> 5) Practice of reserving only part of a deposited quantity 6) Tools used to estimate the size of the money supply 7) Phenomenon that creates new deposits from lending 8) Money deemed legal tender by the government, but not based on or convertible into a commodity.
<p>13. Annual Percentage Yield (APY) is:</p> <ol style="list-style-type: none"> 1) Price paid for the use of money 2) Nominal rate on which interest is calculated per year 3) Effective rate of interest when compounding is factored in 4) Return calculated by adding interest to principal for next interval
<p>14. Bill of Exchange is:</p> <ol style="list-style-type: none"> 5) Negotiable instrument payable to whoever holds it 6) A written order or promise to pay a sum of money to a specified party or the person who holds it 7) A negotiable and unconditional written order 8) Transfers money directly from buyer’s bank account to merchant’s account
<p>15. What is mortgage:</p> <ol style="list-style-type: none"> 1) The debt is paid from the funds generated by the sale 2) A long-term note secured by real property 3) Loan with a fixed interest rate for the life of the loan 4) Loan with rates that change over the course of the loan
<p>16. Debt service coverage ratio (DSCR) is:</p> <ol style="list-style-type: none"> 1) net operating income ÷ total debt service 2) debt ÷ income

3) principal ÷ market value
4) debt ÷ asset
17. Calculate the interest earned on a one-year CD with an initial value of \$5,000 earning 7 percent compounded semiannually. What will be the final balance?
18. What is moral hazard?
1) Borrowers who are most willing to accept a high interest rate are the same borrowers who are most likely to default on their loans
2) When a borrower takes greater risks if they think the harm they will incur from those risks will somehow be minimized
3) When banks refuse to provide a loan, or when they lend less than the customer requested
4) When borrowers with certain credit characteristics are more likely to prefer one type of lender to another
19. What are the three Cs?
20. What is bridge loan:
1) A particular form of short-term loan used to cover expenses until long-term financing is in place
2) Loans to business enterprises
3) A form of lending that advances cash in exchange for a business's receivables
4) Financing for a year or less

9. Teaching methods

The teaching of this discipline is carried out using lectures, seminar (practical) classes. Methods of problem-based learning are used:

- problematic presentation of the material
- frequency search (heuristic)
- research (when writing abstracts, master's theses)

10. Forms of assessment

1. Current control – test tasks on modular works.
2. Final control - exam.

11. Distribution of points received by students.

Evaluation of student knowledge is carried out on a 100-point scale and is converted to national grades according to Table 1 "Regulations and Examinations and Credits at NULES of Ukraine" (order of implementation dated 26.04.2023, protocol №10)

Student rating, points	National grade based on exam results	
	Exams	Credits
90-100	Excellent	Passed
74-89	Good	
60-73	Satisfactory	
0-59	Unsatisfactory	Not passed

In order to determine the rating of a student (listener) in the discipline R_{dis} (up to 100 points), the rating from the exam R_{ex} (up to 30 points) is added to the rating of a student's academic work R_{aw} (up to 70 points): $R_{dis} = R_{aw} + R_{ex}$.

12. Educational and methodological support.

1. Файчук О.В. Робоча програма дисципліни «Банківська система»
2. Файчук О.В. Навчально-методичний комплекс дисципліни «Банківська система»
3. Файчук О.В., Муравський ОМ. Банківська система: методичні рекомендації для самостійного вивчення дисципліни «Банківська система» для студентів заочної форми навчання ОС «Бакалавр» галузь знань 07 - «Управління та адміністрування» спеціальність 072 - «Фінанси, банківська справа та страхування». Київ : Редакційно-видавничий відділ НУБіП України, 2020. 48 с.
4. Файчук О.В., Муравський ОМ. Банківська система: збірник тестових завдань для самостійної роботи з дисципліни «Банківська система» студентів денної та заочної форми навчання ОС «Бакалавр» галузь знань 07 - «Управління та адміністрування» спеціальність 072 - «Фінанси, банківська справа та страхування». Київ : Редакційно-видавничий відділ НУБіП України, 2021. 64 с.
3. Файчук О.В. Електронний курс. URL: <https://elearn.nubip.edu.ua/course/view.php?id=3776>

12. Recommended Literature

1. Банківська система: навчальний посібник / за заг. ред. Т.С. Смовженко. Львів : «Новий Світ – 2000», 2020. 536 с.
2. Банківська система: навчальний посібник / за ред. І.М. Мазур. Дніпро: Пороги, 2017. 444 с.
3. Банківські операції: підручник. – 2-ге вид., випр. і доп. / за ред. А.М. Мороза. Київ : КНЕУ, 2002. 476 с.
4. Кузнецова С.А. Банківська система: навч. посіб. Київ : «Центр учбової літератури», 2014. 400 с.

13. Information resources

1. Верховна Рада України. URL: <http://zakon.rada.gov.ua/>
2. Кабінет Міністрів України. URL: <http://www.kmu.gov.ua/control/>
3. Міністерство фінансів України. URL: <http://www.minfin.gov.ua>
4. Газета «Урядовий кур'єр». URL: <http://www.ukurier.gov.ua/>
5. Державна служба статистики України. URL: <http://www.ukrstat.gov.ua>
6. Національна комісія з цінних паперів та фондового ринку України. URL: <http://www.ssmc.gov.ua>
7. Національний банк України. URL: <http://www.bank.gov.ua>
8. Нормативні акти, статистичні матеріали та статті зі страхування на спеціалізованих українських страхових порталах. URL: <http://dfp.gov.ua>, <http://forinsurer.com>, <http://www.uainsur.com>.

9. Нормативні акти України – законодавство для практиків. URL: <http://www.nau.kiev.ua>
10. Офіційний вісник України. URL: <http://www.gdo.kiev.ua>
11. Україна фінансова – інформаційно-аналітичний портал Українського агентства фінансового розвитку. URL: <http://www.ufin.com.ua>