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**BACHELOR PROGRAM**

**MAJOR: FINANCE – BANKING**

**CONCENTRATION: BANKING**

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**SYLLABUS**

**1. Course Title: COMMERCIAL BANKING OPERATION I**

**2. Course Code:**

**3. Number of Credits: 02**

**4. Level ( 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> academic year): 3<sup>rd</sup> academic year**

**5. Teaching Time Allocation: (credits, hours for activities)**

+ Lecture : 30 periods

+ Practice, laboratory : students study at least 2-3 times of the class time

+ Other

**6. Pre-Requisites: (necessary courses)**

- Introduction to Finance and Money, Financial Mathematics, Cooperate finance, Financial Accounting, International payment.

**7. Course Aims & Learning Objectives:**

- Course Aims:

COMMERCIAL BANKING OPERATION I is a compulsory subject for Finance, Banking students and the electives for some other major at the University of Economics HCMC. In addition to knowledge, students will be trained in presentation skill, situations analyzing, the ability to conduct and business decision-making, computer skill so that they can easily access to their work at banks, securities companies, financial institutions and enterprises. This knowledge will also provide the background for students to study COMMERCIAL BANKING OPERATION II.

- Course Objectives:

The objectives of this course is to equip students with the knowledge and skills as follow:

- i. To achieve presentation skill, problem solving skill, teamwork, self-study, self-research.
- ii. To be able to apply the theories to specific situations
- iii. To know basically the products/services that banks provide investors in the stock market and customers.
- iv. To know the basic content of credit provision, credit process, credit guarantee in the legal conditions in Vietnam.
- v. To know basically the credit products so that they can compare similarities and differences between these products. Students have opportunities to practice through the exercises and case studies.

## **8. Course Description:**

### **Chapter 1: OVERVIEW OF COMMERCIAL BANK**

#### **I. The concept of commercial banks:**

1. Concept.
2. Characteristics.
3. Nature.
4. Classification

#### **II. The function of commercial banks:**

1. Credit intermediary.
2. Payment intermediary.
3. Representative money creating.

#### **III. Commercial bank's operations:**

❖ Based on the balance sheet:

1. Capital sources creating:
  - Own capital.
  - Mobilized capital.
  - Loan capital.

- Other capital.

2. Use of capital:

- Fixed assets purchasing
- Setting up reserves
- Credit provision.
- Investment

3. Intermediary operations:

- Service account.
- Payment services.
- Forex trading.

❖ Based on supply product groups:

1. Corporate customers.
2. Individual customers.

**IV. Vietnamese bank system:**

1. Vietnamese bank system's history.
2. The bank's organizational structure and network.

**Chapter 2: CAPITAL MOBILIZATION**

**I. The issues related to capital mobilization:**

1. Concept.
2. Characteristics.
3. The role
4. Classification

**II. Forms of capital mobilization:**

1. Regular forms:
  - Sight deposit.
  - Time deposit.

- Savings deposit.

2. Irregular form:

- Issuance of valuable papers.

### **III. Factors affecting a commercial bank's capital mobilization.**

## **Chapter 3: BASIC ISSUES OF BANKING CREDIT**

### **I. Concept - Classification of banking credit:**

1. Concept.
2. Classification.

### **II. Principles - Conditions:**

1. Principles.
2. Conditions.

### **III. Interest rates:**

1. Concept
2. Classification.
3. Factors affecting interest rates.

### **IV. Credit assurance:**

1. The concept of credit assurance.
2. The Meaning of credit assurance.
3. The credit assurance form.

### **V. Credit provision process.**

## **Chapter 4: LOAN OPERATION**

### **I. The issues related to loans:**

1. The concept
2. Principles
3. Conditions
4. Methods

5. Loan provision process

6. Other terms

## **II. Loans for working capital supplement:**

1. The concept

2. The role

3. Forms of Loans for working capital supplement:

3.1. Facility:

- Conditions.
- Characteristics.
- Loan procedure
- To determine the credit limit (credit line).
- Disbursement, debt collection and disposal the contract.

3.2. Regular Loans:

- Conditions.
- Characteristics.
- Loan procedure.
- To determine the amount of loan.
- Disbursement, debt collection and disposal the contract.

## **III. Loans for investment projects:**

1. The concept

2. Principles

3. Characteristics

4. Benefits

5. Credit limit

6. Loan time

7. Disbursement, debt collection and disposal the contract

8. Forms:

- Loans for investment projects
- Cooperated loans

#### **IV. Loans for consumer:**

1. The concept
2. Characteristics
3. Benefits
4. Methods
5. The popular products of loans for consumer

#### **V. Overdrafts**

1. The concept
2. Characteristics.
3. Meaning.

#### **9. Student Learning Activities:**

- Participation
- Excecises
- Tools and facilities
- Other

#### **10. Recommended Resources:**

- Textbooks and Reference books:

The Course book of Commercial Banking Operation - Economic Publishing House, in 2012.

- References:

Commercial Banking Operation- Associate Prof. Dr. Nguyen Dang Don editor, Thống kê publishers in 2009.

Commercial Banking Operation – Dr. Nguyen Minh Kieu editor, Thống kê publishers in 2009.

Commercial Banking Operation - Nguyen Thi Mui editor, Statitis publishers 2005

International payment - Associate Prof. Dr. Tram Thi Xuan Huong, Statitis publishers, 2010.

- Currency - Banking and financial markets - Frederic S.Mishkin, Science and Technology Publisher in 1993.

Commercial Bank Management-Peter S. Rose, 2000.

Commercial banking \_Benton E. Gup, James W.Kolari, Jone Wiley & Sons (Asia) Pte Ltd Sigapore

Credit Institutions Act 2010 and other involved legal documents.

Official information on the State Bank's web, commercial banks,

**11. Evaluation:**

- Participation in class: 30 % (weight)
- Group discussion: 10 %
- Assignment: 30 %
- Presentation: %
- Report: %
- Mid – semester exam: 30 %
- Final exam: 70 %
- Other: %

**12. Course Grading Scale:** (*High distinction, Distinction, Credit, Pass*):*Distinction*

**13. Learning Activities:**

Date	Lecture (chapter, part, teaching methodology)	Text Book (chapter, part)	Student Preparation (excecise, presentation, case studies...)	Learning objectives
Date 1 (Number of hours:4)	<p><b>Chapter 1: OVERVIEW OF COMMERCIAL BANK</b></p> <p>I.The concept of commercial banks</p> <p>II.The function of commercial banks.</p> <p>III. Commercial bank’s operations</p> <p>IV. Vietnamese bank system</p>	Read Chapter 1 in the Course book	<p>1/ Refer to materials;</p> <p>2/ Reference The Laws relate to commercial banks’ operations.</p> <p>3/ Search for information in the websites of commercial banks and the State bank.</p> <p>4/ Discuss on a commercial bank’s structure</p> <p>5/ decentralization in</p>	i, ii

			commercial banks.	
Date 2 (Number of hours:4)	<b>Chapter 2: CAPITAL MOBILIZATION</b> I. The issues related to capital mobilization II. Forms of capital mobilization. III. Factors affecting a commercial bank's capital mobilization	Read part I, II, chapter 2 in the course book	1/ Refer to materials; 2/ Reference The Laws relate to commercial banks' capital mobilization. 3/ Discuss on factors affecting a commercial bank's capital mobilization 4/ Discuss on solution for development of capital mobilization; 5/ Read case studies in advance; 6/ Read exercises in advance.	i, ii, iii
Date 3 (Number of hours:4)	<b>Chapter 3: BASIC ISSUES OF BANKING CREDIT</b> I. Concept - Classification of banking credit: II. Principles - Conditions: III. Interest rates	Read chapter 3 in the course book	1/ Review knowledge in former lessons. 2/ Reference The Laws relate to commercial banks' credit activities, example of credit provision process in some commercial banks.	i, ii, iv
Date 4 (Number of hours:4)	IV. Credit assurance V. Credit provision process	Read chapter 3 in the course book	3/ Discuss on factors affecting a commercial bank's credit activities and credit assurance	i, ii, iv
Date 5 (Number of hours:4)	<b>Chapter 4: LOAN OPERATION</b> I. The issues related to loans	Read chapter 4 in the course book	1/ Refer to materials; 2/ Reference The Laws relate to commercial banks'	i, ii, v

hours:4)			credit activities	
Date 6 (Number of hours:4)	II. Loans for working capital supplement	Read chapter 4 in the course book	3/ Discuss on banks' loans	i, ii, v
Date 7 (Number of hours:4)	III. Loans for investment projects IV. Loans for consumer	Read chapter 4 in the course book	4/ Read exercises in advance	i, ii, v
Date 8 (Number of hours:2)	V. Overdraft	Read chapter 4 in the course book	5/ Compare services for corporate customers with individual customers.	i, ii, v
<b>Total:(30 periods)</b>				

*Ho Chi Minh City, 20<sup>th</sup> April, 2012*

**COURSE COORDINATOR**

**LECTURER**

**Associate Professor Tran Huy Hoang**

**Tram Thi Xuan Huong**