LEARNING ACTIVITY DESCRIPTION

- The original idea of a variety of assignments selected from course deliverables.
- Designed for a graduate course in Money, Banking, and Financial Institutions.
- Suitable for courses in the area of Accounting/IB, MBA, and Master of Science in Finance program, offered in face-to-face and online delivery mode.
- Can be tailored to different types of student's activities.
- Addressing important banking concepts while exemplifying them on indicated banking scandals.
- A selection of assembled topics available to be incorporated in the M&B course.

LEARNING ACTIVITY DESIGN

Banking Concepts Covered in the Assignments.
Corporate governance, policies, accounting frameworks, financial system (consolidation vs. competitiveness), financial market (efficiency vs. manipulation), interbank operations, credit risk, interest rate risk, banking innovation risk, legal risk, public trust, internal supervision and control, government regulation, lender of last resort, bailout, money laundering, role of the central bank, deposit insurance system, money creation and liquidity, technological risk, monetary policy, cybersecurity.

Research Paper Topics Examples
Franklin National Bank failure
Wachovia & Wells Fargo – merger or a must? Citigroup – rejected suit.

OBJECTIVES OF THE STUDY

The design of these assignments was motivated by the following objectives:

- To create experience with interest and excitement and about the banking environment.
- To apply theoretical concepts in real-life problem solving in banking based on well-documented real cases.
- To actively engage with the course content from a professional perspective and with public scrutiny concern.
- To engage in the topics students can relate to in the comprehensive approach.
- To create a long-lasting memory and highly motivated learning experience.
- To focus on the course learning goals with ethical reasoning and practical application.

RATIONALE FOR THE STUDY

These assignments were inspired by following considerations:

- These assignments investigate professional behavior in banking.
- They serve as a practical and applied experiential learning opportunity in the economics and finance curriculum.
- This learning strategy intruduces students to deeper understanding of banking operations.
- Students are keenly engaged in analyzing corresponding banking policies and procedures with evaluation of critical implications.
- A vast scholarly, professional, and practical literature is available on banking scandals.
- Students focus on corresponding banking operations with theoretical rigor.
- This active learning approach provides for thoughtful scrutiny of banking operations from the perspective of ethical conduct and compliance.
- These assignments stimulate innovativeness, support students' independent thinking and problem-solving while engaging purposefully in the intense faculty-supported research.
- They support skillful, exploratory, and effective assessment of various publications.

Discussion 1: Money Market Rates and LIBOR Scandals.
Please discuss various money market rates and their importance for financial institutions, emphasize, address some scandals related to LIBOR which occurred in the past and provide some insights of the problems caused (please elaborate). You also should address other concepts of duration, market operations, functions and forms of monetary money market regulations, government borrowing and monetary policy, interest rates vs. return. Please support your post with reference to the research findings published in the peer-reviewed journals.

Discussion 2: Bank Failure and Bailouts around the World
Please present various cases of bank failure, evidenced reasons behind the problems experienced, and discuss the tools to mitigate them. The examples are numerous: S&L crisis, Barings, Daiwa, Sumitomo, Societe Generale, Bear Stearns, Wachovia Bank, AIG, Lehman Brothers crisis, Merrill Lynch, to name just a few. Elaborate further and analyze these examples, and you are welcome to add more. In each analysis include the government response, and how the institutional financial problems were resolved. If the bailout package was offered, present the rationale with reference to TARP problem and the government safety net offered to prevent systemic failure. Please relate the issue of banks failure to the concepts of asymmetric information (agency theory), adverse selection and moral hazard (lemons problems in banking, banking regulations and supervision and deposit insurance, bank runs (panics), securitization, shadow banking, banking innovation and ethical concerns. Integrative comparisons will greatly support the perspective. Please reference peer-reviewed journals in your research.

CONCLUSIONS

- There is an urgent need for specialized and focus on ethics in banking courses, courses on management of corporate governance and ethical conduct, and not limited to executive education or professional trainings.
- Both negative and positive examples can foster development of ethically correct professional and personal roles in banking education.
- More specialized approach is required by progressing from business ethics, through financial ethics, to banking ethics, similarly to teaching: aesthetics, marketing ethics, engineering ethics, information technology ethics.
- Discussing banking ethics introduces students understanding and appreciation of challenges that business leaders face when confronted with the conflict between the pursuit of profit making commands of capital and ethical expectations of society in the balancing effort of resolving the paradox of ethics.
- Real case studies are more credible for students than simplified narratives or mock exercises.
- Banking scandals contextualise ethical dilemmas in the banking industry with current continued importance and contemporary policy writing.
- Banking scandals are referred in faculty-run and student-run blogs to stir interest and excitement in the inquiry-based education.
- These professionals oriented practical research initiatives increase student's satisfaction and trigger engagement in the simplified in depth various banking failures, the role of banks and the factors of risks and implications, and shape ethical sensitivity to human behavior in the banking services, procedures, and processes.

REFERENCES