

# THE EDUCATION UNIVERSITY OF HONG KONG

## Course Outline

### Part I

<b>Programme Title</b>	<b>: Bachelor of Arts in Personal Finance; all undergraduate programmes</b>
<b>Programme QF Level</b>	<b>: 5</b>
<b>Course Title</b>	<b>: Banking and Credit</b>
<b>Course Code</b>	<b>: BUS2050</b>
<b>Department/Unit</b>	<b>: Department of Social Sciences and Policy Studies</b>
<b>Credit Points</b>	<b>: 3</b>
<b>Contact Hours</b>	<b>: 39</b>
<b>Pre-requisite(s)</b>	<b>: Nil</b>
<b>Medium of Instruction</b>	<b>: English</b>
<b>Course Level</b>	<b>: 2</b>

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### Part II

The University's Graduate Attributes and seven Generic Intended Learning Outcomes (GILOs) represent the attributes of ideal EdUHK graduates and their expected qualities respectively. Learning outcomes work coherently at the University (GILOs), programme (Programme Intended Learning Outcomes) and course (Course Intended Learning Outcomes) levels to achieve the goal of nurturing students with important graduate attributes.

In gist, the Graduate Attributes for Sub-degree, Undergraduate, Taught Postgraduate, Professional Doctorate and Research Postgraduate students consist of the following three domains (i.e. in short "PEER & I"):

- Professional Excellence;
- Ethical Responsibility; &
- Innovation.

The descriptors under these three domains are different for the three groups of students in order to reflect the respective level of Graduate Attributes.

The seven GILOs are:

1. Problem Solving Skills
2. Critical Thinking Skills
3. Creative Thinking Skills
- 4a. Oral Communication Skills
- 4b. Written Communication Skills
5. Social Interaction Skills
6. Ethical Decision Making
7. Global Perspectives

## 1. Course Synopsis

This course offers students a basic understanding of banking and the important role of the banking industry in the working of a market economy. It examines the structure of the banking industry, the role of the central bank and the basic functions of commercial banks. Students should also be able to understand banking institutions' credit policies and procedures.

Emphasis is placed on the general environment of banking in Hong Kong and the Greater Bay Area (GBA), financial instruments being offered by the banks and analyzing the performance of a commercial bank, and also the credit analysis of bank customers. Upon the completion of this course, students should be able to discuss the theory and practice of commercial banking and describe the banking structure of Hong Kong and the mainland cities in GBA and comparison between the two regions.

## 2. Course Intended Learning Outcomes (CILOs)

*Upon completion of this course, students will be able to:*

- CILO<sub>1</sub> Understand the basic principles and operations of banking;
- CILO<sub>2</sub> Identify the process of credit analysis and credit risk management strategies for bankers and investors;
- CILO<sub>3</sub> Compare different loan structures and documentation and the legal and regulatory framework of banking;
- CILO<sub>4</sub> Evaluate the role and impact of monetary policy on the banking sector, and the role of banks in financial markets;
- CILO<sub>5</sub> Compare and analyze critically the banking structure between Hong Kong and the mainland cities in GBA.

## 3. Content, CILOs and Teaching & Learning Activities

Course Content	CILOs	Suggested Teaching & Learning Activities
Basic principles and operations of banking	CILO <sub>1</sub>	Lecture, case studies
Process of credit analysis and credit risk management strategies	CILO <sub>2</sub>	Lecture, case studies, group discussion and presentation.
Loan structures and documentation	CILO <sub>3</sub>	Lecture and oral presentation
legal and regulatory framework of banking	CILO <sub>3</sub>	Lecture, online searching and group presentation
The role and impact of monetary policy on the banking sector; The role of banks in financial markets	CILO <sub>4</sub>	Lecture; lecturer-led questions and answers (Q&A); problem-based learning activities; online searching for updated information; group discussions
The comparison of banking structure between Hong Kong and the mainland cities in GBA	CILO <sub>5</sub>	Lecture and oral presentation

#### 4. Assessment

Assessment Tasks	Weighting (%)	CILO
(a) Group Assignment Students will form teams and choose a commercial bank in Hong Kong and the mainland cities in the Greater Bay Area to compare their business, credit policies, and financial instruments offered. (2000 -2500 words)	40%	CILO <sub>1,2,3,4,5</sub>
(b) Individual Assignment Students will select a bank customer in Hong Kong or the Greater Bay Area and analyze their creditworthiness using financial statement analysis and credit risk assessment tools. (1000 – 1500 words)	30%	CILO <sub>1,2,3,4,5</sub>
(c) Final Examination The final exam will cover the major topics covered in the course.	30%	CILO <sub>1,2,3,4,5</sub>

#### 5. Use of Generative AI in Course Assessments

☐ **Not Permitted:** In this course, the use of generative AI tools is not allowed for any assessment tasks.

☒ **Permitted:** In this course, generative AI tools may be used in some or all assessment tasks. Instructors will provide specific instructions, including any restrictions or additional requirements (e.g., proper acknowledgement, reflective reports), during the first lesson and in relevant assessment briefs.

#### 6. Required Text(s)

Nil

#### 7. Recommended Readings

- Amstad, M., Sun, G. & Xiong, W. (2020). *The Handbook of China's Financial System*. Princeton University Press.
- Berger, A.N., Molyneux, P. & Wilson, J.O.S. (2022). *The Oxford Handbook of Banking* (3rd Edition). Oxford University Press.
- Cecchetti, S.G. & Schoenholtz, K.L. (2021). *Money, Banking, and Financial Markets* (6th Edition). New York: McGraw-Hill.
- Choudhry, M. (2022). *The Principles of Banking (Wiley Finance)*. John Wiley & Sons.
- Cranston, R. (1997). Principles of Banking Law. *CAMBRIDGE LAW JOURNAL*, 56(3), 656-658.
- Golin, J., & Delhaise, P. (2013). *The bank credit analysis handbook: a guide for analysts, bankers and investors*. John Wiley & Sons.
- Gup, B. E. (2011). *Banking and financial institutions: A guide for directors, investors, and counterparties* (Vol. 615). John Wiley & Sons.
- Heffernan, S. (2005). *Modern banking*. John Wiley & Sons.

- Mishkin, F. S. (2007). *The economics of money, banking, and financial markets*. Pearson education.
- Rose, P. S., & Hudgins, S. C. (2013). *Bank Management & Financial Services* (9th Edition). New York: McGraw-Hill.
- Van Gestel, T., & Baesens, B. (2009). *Credit Risk Management: Basic concepts: Financial risk components, Rating analysis, models, economic and regulatory capital*. Oxford University Press.

## 8. Related Web Resources

Hong Kong Monetary Authority: <http://www.hkma.gov.hk/>  
 Hong Kong Institute of Bankers: <https://www.hkib.org/>  
 Hong Kong Association of Banks: <https://www.hkab.org.hk/en/home>  
 Hong Kong Securities and Investment Institute: <https://www.hksi.org/>  
 Commerce and Economic Development Bureau: <http://www.cedb.gov.hk/>  
 Financial Services and the Treasury Bureau: <http://www.fstb.gov.hk/>

## 9. Related Journals

*Journal of Banking and Finance*  
*The Review Of Economic Studies*  
*Journal of International Money and Finance*  
*International Journal of Central Banking*  
*Journal of Risk and Financial Management*  
*Journal of International Financial Markets, Institutions, and Money*  
*Review of Quantitative Finance and Accounting*  
*Asian Journal of Business Ethics*  
*Ivey Business Journal*  
*Business Horizons*  
*Journal of International Business Studies*  
*Asian Wall Street Journal*

## 10. Academic Honesty

The University upholds the principles of honesty in all areas of academic work. We expect our students to carry out all academic activities honestly and in good faith. Please refer to the *Policy on Academic Honesty, Responsibility and Integrity* (<https://www.eduhk.hk/re/uploads/docs/000000000016336798924548BbN5>). Students should familiarize themselves with the Policy.

## 11. Others

Nil

*Last updated on 22 July 2025*