



The Bahamas Institute of Financial Services

2009 Banking Certificate Programme Syllabus

Banking Certificate Programme

2009 Syllabus



Banking Certificate Programme

Course Objective

The Bahamas Institute of Financial Services introduced the Banking Certificate into its education curriculum in 1999. The syllabus has been designed to provide a firm foundation of knowledge that will strengthen the employees' ability to carry out supervisory management tasks.

Prospective students are required to complete ten (10) subjects, three (3) Preliminary Subjects and seven (7) subjects from the Final Section.

Preliminary Section

- Business Calculations*
- Business Communications
- The Business of Banking

Final Section

Principles of Macroeconomics *
Financial Accounting I *
Supervisory Skills
Banking Law I *
Banking Operations - Lending & International Business
Customer Services - Marketing & The Competitive Environment

The program is also designed to allow students the opportunity to transfer credits to the College of the Bahamas BBA Banking & Finance program. The awarding of Certificates takes place each year at the Bahamas Institute of Financial Services Annual Awards Ceremony and Dinner. Upon completion students will be allowed to use the letters CIB. (Certificate In Banking)

*COB transfer credits

Entry Requirements: Students should have Math and English BGCSE or O 'level with C or above or college prep. Math 048 and English 017.

Business Calculations - BIFS 111 - (3 Credits)

Course Objective

To increase students' ability and confidence in using, manipulating, understanding and interpreting numbers, particularly in the context of the financial services industry. To enable students to understand the basic numerical processes of statistics and accountancy. To introduce students to computers and their role in the financial services industry.

Course Outline

Elements of Accounting as far as the Balance Sheet

Accounts Maintenance -

- Understanding the operation of a double entry accounting system

Introduction to Final Accounts -

- Understand how the initial transaction of a newly formed company are reflected in a simple set of accounts
- Construct simple statement of Income
- Explain the various parts of a Balance Sheet
- Draw up a Balance Sheet for a company (not a bank)

Review Basic Computational Skills

Writing and rounding of whole numbers

Addition, subtraction, multiplication and division of whole numbers Dissect and solve word problems

Types of fraction

Conversion procedures

Addition, subtraction, multiplication and division of fractions

Decimals

Rounding of decimals

Conversion procedures

Addition, subtraction, multiplication and division of decimals

Percentages

Conversion

Decimals to percentages/percentages to decimals/percentages to fractions

Rounding of percents and decimals

Business Statistics

Mean, Median, Mode and Weighted Average

Solving Simple Equations

Solving equation for unknown Mechanical steps to solving equations

Solving word problems for the unknown

Checking the solution

Simple Interest – How to find:

Interest, principal, rate, and time

Calculate for months and years

Banking and Credit Card Transactions

The checking account

Credit card transaction

How to prepare a Bank Reconciliation Statement

Definition and purpose

Payroll

Employee's gross pay

Various pay periods

Business Calculations - BIFS 111 - (3 Credits)

Gross pay with overtime, based on time and a half or rate and a half
Gross pay for Piecework- straight and differential
Commission-Straight, graduated and with salary plus commission.
Draw in anticipation of commission
Payroll deductions- National Insurance and others

Discounting Notes

Promissory Note
Non-interest and interest bearing note
Simple interest versus Discount Note
Effective Rate of Interest
Discounting an interest-bearing note before maturity

Stocks, Bonds and Mutual Fund

Stocks - Types
Dividends - Types
Bonds - Purchased at a Discount or a Premium
Mutual Funds - Introduction

Compound interest and Present Value

Company interest versus simple interest Contrast present value and future value

Annuities and Sinking Funds

Definition
Ordinary annuity and annuity due
Present values of annuity versus present value of lump sum
Calculate future and present values of annuities manually and by table

Sinking fund Purpose

Markups, markdowns, perishables

Markup based on cost price
Markup based on selling price
Calculate under various situations when different parts are known Markdowns - compare with markups
Series of markdowns
Final selling price and percentage markdown
Perishables - pricing to cover spoilage or loss

Depreciation

Straight Line
Reducing Balance
Sum of the Year
Depletion

BUSINESS COMMUNICATIONS - BIFS 121 - (3 Credits)

Course Objective

To develop correct English usage and to teach its application in business communications, and to give training in elementary business procedures.

Course Outline

1. Communication

Good communications are essential to the efficient operation of any organisation. Students must be made aware of the skills required of good communicators. Throughout the training Sir Ernest Gowers' five Cs should be recalled: Concise, Clear, Courteous, Correct and Complete.

1.1 Theory and Process of Communication

How effective communication is achieved; choice of media-written, oral and visual; choice of language -formal and informal relationships.

1.2 Communication Breakdown

What causes poor communication: wrong choice of tone or language; ambiguity; poor English skills; no psychological insight.

1.3 Tone and Style Students need to be aware of the importance of appropriate tone and style from the outset of the course.

1.4 Clear, Concise English and Basic Sentence Construction The need for brevity and precision should be emphasised; work on sentence formation should be practised so that students appreciate this from the beginning; good organisational skills; avoidance of loose sentence construction and careless use of commas.

1.5 Grammar and Punctuation

These are best corrected during usage as this gives greater validity; use of apostrophes.

1.6 Spelling Frequency of common errors needs firm treatment, and so does the inability to spell correctly words which are printed in the questions.

2. Shorter Forms of Communication

2.1 Business Letters

Structure of a letter: the style and tone to be used: formal and informal language.

2.2 Standard Letter Formats

The use of letter heads and other letter writing conventions.

2.3 Memoranda

Definition of a memorandum.

Presentation and tone.

3. Report Writing

3.1 Students need to be aware of the difference between composition and report writing. They should consider the purpose of a report. This should result in an appreciation of the need for clear thinking and good organisation of material.

3.2 The more formal language required for the presentation of facts should be considered as well as the language and style appropriate to those for whom the report is intended.

3.3 Objectivity and subjectivity should be explained, and some exercises should be given so that students learn to discern the difference between fact and opinion.

3.4 Organisation of material from accumulated facts should be practised. Selection of material and classification of the same under suitable headings should be exercised. Frequent personal reference to the writer is to be avoided in the presentation of reports.

3.5 Logical order of information and choice of headings should be discussed and practised separately.

3.6 The subjects chosen must be within the students' experience and so will not necessarily be in a banking context.

4. Meetings: Basic Organisation and Procedures

4.1 Purposes of meetings -different categories.

4.2 Notices of meetings and agendas -committee members' agenda: chairman's agenda and agenda for an AGM.

4.3 Duties of chairman, secretary and committee members Chairman -organisation of meeting and human factors.

4.4 Procedure of meetings -proposals, resolutions, amendments, motions, voting: all terminology.

4.5 Minutes -types of minutes, e.g. narrative or action; reported speech.

5. Use of Telephone and Dealing with Enquiries, Face-to-Face Communication

5.1 Advantages and disadvantages of the telephone, together with its importance.

5.2 The correct procedure for making and answering calls, including costs.

5.3 Telephone techniques -practice in oral and written conversations. Role-play for practice in efficiency and politeness; techniques for listening effectively.

5.4 Using a message pad and recording telephone messages.

5.5 Non-verbal signals -voice, tone and inflections.

5.6 Face-to-face communication -body language, gestures, appearance and dealing with customers.

6. Ability to Comprehend and Summarise Business Documents

6.1 Summary and Note-taking

The importance of summary in a business context.

6.2 Summarising relevant information and editing.

6.3 Identifying essential points in a passage and summarising these points in note-form with main and sub-headings.

6.4 Comprehension The same, or another, passage will be used to test understanding of particular sentences, metaphorical expressions, vocabulary and points of detail. Students' vocabulary should be extended generally throughout the course by increasing their awareness of new words

BUSINESS OF BANKING - BIFS 131 - (3 Credits)

Course Objective

To develop knowledge of the functions and services performed by banks and other financial institutions, introduce students to the legal basis of the banker/customer relationship, and make them aware of the scale of competition within the financial services market.

Course Outline

Money

Barter, functions and characteristics of money, legal tender

The Financial Marketplace

Type, purpose and functions, central bank, retail, merchant and other types of banks.

Financial journals

Banker/Customer Relationship

Definitions of banker and customer, debtor/creditor, banker's rights and duties.

Bank Customers

Adults, minors, joint, sole traders, partnership, companies. Opening accounts

Cheque's and Clearing Systems

Crossings and endorsements, clearing systems

Bank Functions and Services

Deposits, advances, money transmission and other services. Balance sheet of a retail bank.

Basic principles of saving and lending.

Plastic and Electronic Banking

Telephone and home banking. Credit, debit, charge, store and smart cards.

Competition

Services and customer benefits of banks vs. other types of financial institutions.

FINANCIAL ACCOUNTING - BIFS 141 - (3 Credits)

Course Description

This course covers the application of generally accepted accounting principles relating to the accounting cycle of a sole trader involved in a service or merchandising enterprise. Concentration will be on preparation and understanding of three financial statements.

Course Outline

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

1. Apply generally accepted accounting principles to the accounting cycle
2. Account for the transactions of a sole trader involved in a service or merchandising concern
3. Post to the various special journals and prepare Financial statements
4. Prepare a bank reconciliation statement and appreciate the problems associated with internal control
5. Account for current assets, current liabilities and long-term assets

INTRODUCTION TO ACCOUNTING CONCEPTS

Purpose of accounting

Characteristic of Accounting Information

Recording and Reporting Accounting Information Using Accounting Information

Accounting as a Profession

Source of Accounting Principles and Practices Forms of business Organizations

The Forms of Business Organizations

The Effect of Transactions on the Accounting equation

RECORDING BUSINESS TRANSACTIONS - ACCOUNTING CYCLE

Transactions and Source Documents

Analysis of Transactions, Debits and Credits and accounts

Journalizing and posting journal entries to the general ledger

Extraction of trial balance

Effects of transactions on type of accounts

Discovery and correction of errors

ADJUSTMENTS AND FINANCIAL STATEMENTS

Measuring net income

Adjusting entries

Adjusted trial balance

Financial statements from adjusted trial balance

WORKSHEET AND COMPLETION OF ACCOUNTING CYCLE

Worksheet

Financial statements from worksheet

Journalizing adjusting entries

Closing the accounts

Post-closing trial balance

ACCOUNTING FOR MERCHANDISING OPERATIONS

Merchandising Inventory

Merchandising income statement

Accounting for sales transactions

Periodic/perpetual inventory systems

Estimating inventories

FINANCIAL ACCOUNTING - BIFS 141 - (3 Credits)

Classified balance sheet & multi-step income statement

ACCOUNTING SYSTEMS: SPECIALIZED JOURNALS

Sales Journal
Purchases Journal
Cash receipt Journal
Cash payment Journal

INTERNAL CONTROL AND CASH FLOW MANAGEMENT

Basic elements of Internal control
Control of cash receipts/disbursements
Bank reconciliation
Petty cash procedures

ACCOUNTING FOR CURRENT ASSETS & CURRENT LIABILITIES

Short-term investments
Accounts & notes receivable
Accounts & notes payable

INVENTORIES: Valuations Systems:

Perpetual. Periodic
LIFO, FIFO Avg. cost. Specific Identification Estimation - retail and gross profit methods

LONG TERM ASSETS

Accounting for Tangible and Intangible Assets Accounting for Natural resources Acquisition
Depreciation/amortization/Depletion
Disposal

ACCOUNTING PRINCIPLES

Objectives of financial reporting
Assumptions: Monetary Unit, Economic Entity, Time Periods. Going Concern
Principles: Revenue Recognition, Matching, Full disclosure, cost.

ASSESSMENT

Homework will be assigned on completion of each segment. Quizzes may also be given during the semester.
There will be two in-term tests consisting of multiple choice and problem-type questions and a final comprehensive examination

Course Description

This course provides a basic introduction to economic thinking and methods. It emphasizes real world applications particularly for The Bahamas and the Caribbean. The use of graphs and basic algebra serve as tools for analysis

Course Outline

This course introduces the student to basic economic reasoning on:

How the macroeconomy works

The use of economic tools in economic decision making process

How to distinguish the Bahamian economy from industrialized economies

INTRODUCTION AND KEY PRINCIPLES

1. Introduction: What is Economics?
2. Key Principles of Economics
3. Markets and Government In the Economy:
 - The Bahamas
 - The Caribbean Region
 - The Industrialized World
4. Supply, Demand, and Market Equilibrium

THE BASIC CONCEPTS OF MACROECONOMICS

1. Ideas Behind Macroeconomics
2. Economic Statistics

THE ECONOMY IN THE LONG RUN

1. Classical Economics: The Economy at Full Employment
2. Why Do Economics Grow?

MONEY, BANKING, AND MONETARY POLICY

1. Money, The Banking System, and the Central Bank
2. Monetary Policy in the Short run

INFLATION, UNEMPLOYMENT, AND GOVERNMENT DEFICITS

1. From Short Run to the long run
2. The Dynamics of inflation and unemployment
3. government debts and deficits: Bahamian Budgetary Exercises

SPILLOVERS AND INFORMATION

1. Public Goods, Taxes and Public Choice
2. Environmental Problems and Public Policy

THE LABOUR MARKET AND ECONOMIC Challenges

1. Demand and Supply for labour
2. Wage Determination
3. Labour Unions
4. Poverty, Housing and Public Policy

THE INTERNATIONAL ECONOMY

1. International Trade and Public Policy
2. International Finance

SUPERVISORY SKILLS - BIFS 221 - (3 Credits)

Course Objective

To enable the student to understand the basic principles of

- a) the organization, its structure and work environment.
- b) staff supervision, from selection to motivation and
- c) to explore the variations in employers' practices in applying these principles in context of the financial services industry.

Course Outline

Organizing objectives, goals and targets, organization structures, the way banks are 'typically' structured; organization charts, your own bank and branch or section charts.

General Management Practice

Problem solving in a systematic manner

Planning and forecasting: short, medium and long-term schedules Decision-making:

methodical action considering alternative outcomes Organizing: implementing present actions; allocating available resources Delegation: on the basis of the knowledge of staff skills, inclinations, resources; allocating available resources

Control: designing, implementing and communicating schedules of controls.

Monitoring: managerial overview, monitoring the internal and external environment. Communication: simple principles of oral, visual and written communication.

The Management of People

The Individual

Selection in the formal sense: criteria, the right person for the job Training: on and off the job training, courses available to office and clerical staff; line, staff and supervisor-level responsibilities.

Motivation: needs, satisfaction, the role of the organization and its culture and strategies.

Interpersonal skills, interviewing, counseling, immediate disciplinary principles and practices.

The Group

Group dynamics: formal and informal groups; boundaries, rules, customs and sanctions;

Structure leadership: traits; the tasks of the leader in satisfying organizational and group needs.

The Self

Time management and planning for the allocation of personal skills, time and resources

Self-knowledge: using models, including reflection via trusted partners, for clearer images of personal skills and characteristics.

Assertiveness: learning and employing techniques of assertion so as to further personal aims and goals.

Self-development: designing and implementing self-development action plans.

The Supervisory Environment

The law

The basic principles of the law, particularly laws visibly applicable to the workplace, relating to health and safety; sickness; offices, shops and railway premises; employment protection and equal opportunities.

Procedures

Staff representation: the roles of management and unions; the office representative and relationships with the supervisor and local management.

Appraisal: objectives and principles;

own bank principles, forms and usage of appraisal systems

Grievance: awareness of existence and nature of informal and formal procedures.

Discipline: understand the nature of the disciplinary process, from the informal first steps through the full formal procedure, with special reference to the supervisor's contribution.

Training: procedures and responsibilities in obtaining bank training; the structures and stages in the Institute's training programs.

Benefits

Rewards: the package; pay, considerations, holidays, perks, bonuses, share options. Similarities and differences between banks.,

Grading: simple principles of job "evaluation; relationships' between grades, promotion, merit and pay.

Availability: entitlement to, and eligibility for, reward-benefits, qualification for allowances and special payments.

BANKING LAW I - BIFS 231 - (3 Credits)

Course Objective

To enable students to demonstrate a knowledge and understanding of the principles of law relating to the business of banking; to apply those principles to practical situations and to communicate their responses to situations and problems to colleagues and customers.

Course Outline

At the end of the course the successful student should be able to:

- Appreciate the nature and purpose of law; be familiar with the different types of law; appreciate the different forms of legal liability; explain the role of law in the business of banking.
- Know the sources of law; understand the relevance of these sources to the business of banking.
- Be aware of the different processes and institutions for resolving legal and quasi-legal conflicts. Be aware of the wider factors to take into account before starting legal proceedings.
- Be able to explain the nature and essential elements of a contract; be aware of the implications of 'standard form' contracts.
- Understand the role of contract law in banking; relate and apply legal principles to the banker/customer contract and other typical workplace situations.
- Explain the legal classification of property; explain how title to different types of property is proved and transferred.
- Understand the function and attributes of different securities used in banking; appreciate a bank's position as holder of security; relate and apply legal principles to routine bank procedures and workplace situations.
- Understand the nature and function of cheques as a type of bill of exchange, cheque cards and credit cards; explain a bank's position with regard to their use and misuse. Be aware of the developments in electronic banking.

1. Sources of Law

- 1.1 State the sources of law.
- 1.2 Explain the operation of the doctrine of judicial precedent.
- 1.3 Explain and apply the rules for interpreting statutes.
- 1.4 Explain the terms 'common law' and 'equity' and illustrate their modern roles in law affecting the business of banking.
- 1.5 Demonstrate an understanding of the role of law in the business of banking.

2. Conflict Resolving

- 2.1 Explain what is meant by judicial and quasi-judicial processes.
- 2.2 Compare judicial and quasi-judicial processes as means of conflict resolving.
- 2.3 Outline the role and jurisdiction of the major civil and criminal courts.
- 2.4 Explain factors which banks may take into account before bringing or defending legal actions.
- 2.5 Describe the role of the Banking Ombudsman.

3. Contract Law

- 3.1 Explain and illustrate the role of contract law in business transactions.
- 3.2 Explain the nature and essential elements of a contract.
- 3.3 State the legal rules relating to capacity to contract in relation to bank customers.
- 3.4 Explain and illustrate the relevance of contractual formalities, misrepresentation and undue influence to contracts entered into by banks.

- 3.5 Define the terms 'banker' and 'customer'.
- 3.6 Explain the legal basis of the banker/customer relationship.
- 3.7 State and explain the rights and duties arising from the banker/customer relationship.
- 3.8 State and explain the legal basis of the procedures for opening and operating different types of accounts.
- 3.9 Apply general principles to work-related situations.

4. Property and Its Use as Security

- 4.1 Distinguish between real and personal property.
- 4.2 Define land and explain and distinguish between estates and interests in land.
- 4.3 Explain the various types of ownership of land.
- 4.4 Outline how title to different types of property is proved and transferred.
- 4.5 Explain the nature and function of security.
- 4.6 Distinguish between different types of security arrangements.
- 4.7 Define the terms 'mortgage', 'pledge', 'lien' and 'charge'.
- 4.8 Distinguish between legal and equitable mortgages.
- 4.9 Outline how charges are taken over land, stocks and shares, and life policies.
- 4.10 Explain the use of guarantees and debentures as security.
- 4.11 State and compare the attributes of different types of securities.
- 4.12 Appreciate a bank's position as holder of security and relate the above to banking operations.

5. Cheques and other Means of Payment

- 5.1 Understand the nature and functions of cheques and other bills of exchange, cheque cards and credit cards.
- 5.2 Explain a bank's position with regard to their use and misuse.
- 5.3 Explain the concept of negotiability as applied to cheques.
- 5.4 Explain the function and effect of crossings on cheques.
- 5.5 Differentiate between a holder for value and holder in due course of a cheque and define the rights possessed by such a holder.
- 5.6 Explain the possible liability of a bank in collecting and paying cheques.
- 5.7 State and explain the application of a bank's statutory protection when collecting and paying of cheques.
- 5.8 Demonstrate an understanding of how methods of payment, and the law relating to them, may change in response to technological change.

BANKING OPERATIONS - BIFS 251 - (3 Credits)

Course Objective

To enable the student to adopt the principles of good lending, identify the lending services appropriate to the needs of the individual, small business or corporate body; interpret financial statements and trading customers.

Course Outline

Canons of Lending

Banks' lending policies: the canons of lending and their application in practical lending situations; the techniques of good lending practice-safety, liquidity and profitability.

Personal Borrowers

Types of lending service: benefits of each to the customer; types of customer appropriate to each.
Credit scoring: purpose and procedures; benefits.

Other Borrowers

Special types of borrowing customer: clubs, associations, societies, trustees, sole traders, partnerships and companies: the application of the canons of lending in each case.
Relevance of memoranda and articles of association to the lending banker.

General Principles of Security

Features of ideal security, types of charge and common charge, technical points, discharge and release of security.

Review and Control of Accounts

Purpose, information, methods and need for early action to remedy adverse trends

Bad and Doubtful Debtors

Causes and warning signs, stages of recovering bad debts

Interpretation of Financial Statements

Main areas of interest, methods of comparing trends, purpose and content of budget profit statement and cash flow forecast, monitoring actual performance. Alternative Sources of Finance
Specialist sources of finance via banks, features and benefits.

International Business

Inter-bank Nostro and Vostro Accounts
Remittance and Receipt of Funds
Rates of Exchange
International Trade for Exporters and Importers Acceptance Credits
Other Services

CUSTOMER SERVICES & MARKETING - BIFS 261 (3 Credits)

Course Objective

To enable the student to identify the needs of a customer and match them against a suitable service. To build awareness of the nature of changing financial services markets and the need for new services. To develop an understanding of the marketing of financial services, and examine the various means of communication between banker and customer.

Course Outline

Customer Services

Personal services

Corporate services

Changes in the industry and the effect on financial services marketing

Competitive Environment

Products and marketing strategies of various types of financial institutions Identify areas for future marketing efforts

Cost and Profitability

Principal constituents of bank income and expenditure, cost-cutting measures, retail banking profits, return on capital

Role of staff in the marketing effort

Basic Marketing

The philosophy of marketing

Marketing mix, work of the department Market segmentation

Place, Price, Promotion, Product and Personnel.

The Banker/Customer Interface

legal issues, interpersonal skills, selling techniques, relevant legislation