

Date reviewed: Aug 2015

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Pre or Co-requisite: None

## **BFN 100: PRINCIPLES OF BANKING**

Semester Credit Hours: 2

Contact Hours: Lecture - 30

### **I. COURSE DESCRIPTION:**

This course is an introduction to the broad area of banking. Topics include the evolution of banking, Federal Reserve System, documents and forms used, rudimentary laws and regulations, as well as a study of the specialized services offered. Upon completion of this course, the student will be able to perform basic banking functions.

### **II. GENERAL COURSE COMPETENCIES: After having successfully completed this course, the student will be able to:**

1. Acquire knowledge of the evolution of American banking.
2. Learn the structure of the Federal Reserve System.
3. Understand the forms and documents used in banking.
4. Gain knowledge of the deposit function.
5. Understand paying teller functions.
6. Comprehend the processes of check processing and collection.
7. Understand the bank bookkeeping function.
8. Acquire knowledge of bank loans and investments.
9. Gain knowledge of bank accounting, pricing and profitability.
10. Gain an understanding of regulation and examination of banks.
11. Acquire knowledge of personnel policies and internal security.
12. Gain knowledge of specialized bank service departments.

### **III. COURSE OBJECTIVES: The student will be required to demonstrate attainment of each course competency by performing the objectives listed under each competency.**

1. Acquire knowledge of the evolution of American banking. The student will:
  - a) Distinguish between American banking and the systems of other countries.
  - b) Cite the major provisions of the National Bank Act.
2. The student will learn the structure of the Federal Reserve System.

The student will:

- a) List the basic objectives of the Federal Reserve
- b) Describe the basic services provided by the Federal Reserve
- c) Distinguish between monetary policy and fiscal policy

3. The student will understand the forms and documents used in banking.

The student will:

- a) Describe the system of credit balances.
- b) Distinguish between checks and drafts.
- c) List four basic types of endorsements.
- d) Distinguish between negotiation and delivery.

4. The student will gain knowledge of the deposit function.

The student will:

- a) Define cash and non-cash items.
- b) Describe night depository and direct deposit systems.
- c) Discuss the actions taken by tellers in accepting deposits.
- d) Explain the operations of credit unions and thrift institutions.
- e) Explain the role of savings and time deposits in commercial banking.

5. The student will understand paying teller functions.

The student will:

- a) Distinguish between paying and cashing checks.
- b) Describe the actions tellers should take during holdup attempts.
- c) Describe ways to deal with fraudulent schemes and practices.

6. The student will comprehend the processes of check processing and collection. The student will:

- a) Distinguish between book, collected and available balances.
- b) Describe procedures to sort, route and collect deposited items with the proper combination of speed and cost.

7. The student will understand the bank bookkeeping function. The student will:

- a) List the basic responsibilities of the bookkeeping department.
- b) Explain the nine test that can be applied to checks as part of the overall bookkeeping function.

8. The student will acquire knowledge of bank loans and investments.

The student will:

- a) Discuss the three basic objectives of liquidity, safety and income.
- b) Cite the four basic categories of bank loans.
- c) Discuss how and why bank-lending policies are established.

9. The student will gain knowledge of bank accounting, pricing and profitability.

The student will:

- a) Describe the types of accounting records used by banks.
- b) Explain the need for banks to price their services and recover their costs.
- c) Identify the four major ratios that are used to determine a bank's profitability.
- d) Gain an understanding for regulation and examination of banks.
- e) State the reasons for state and federal supervision and regulation of commercial banks.
- f) List the four tests applied to requests for charters.
- g) Distinguish between auditing and internal controls.
- h) Acquire knowledge of personnel policies and internal security.
- i) List three characteristics that effective personnel policies should have.
- j) Distinguish between policies and procedures.
- k) Discuss operating safeguards and procedures needed in a program of internal controls.
- l) Gain knowledge of key bank service departments.
- m) Describe trust department services.
- n) Describe international banking services.
- o) Discuss cash management services.

#### IV. CLASS ACTIVITIES:

Online PowerPoints  
Writing assignments

#### V. CRITERIA FOR EVALUATION:

Given a series of assignments, quizzes and examinations, the student will perform with a sixty- percent degree of accuracy.

#### VI. TEXT:

Banking Systems/CFT/Cengage, current edition.

## **VII. Attendance**

Students are expected to attend all classes for which they are registered. Students who are unable to attend class regularly, regardless of the reason or circumstance, should withdraw from that class before poor attendance interferes with the student's ability to achieve the objectives required in the course. Withdrawal from class can affect eligibility for federal financial aid.

## **VIII. Statement on Discrimination/Harassment**

The College and the Alabama State Board of Education are committed to providing both employment and educational environments free of harassment or discrimination related to an individual's race, color, gender, religion, national origin, age, or disability. Such harassment is a violation of State Board of Education policy. Any practice or behavior that constitutes harassment or discrimination will not be tolerated.

## **IX. Americans with Disabilities**

The Rehabilitation Act of 1973 (Section 504) and the Americans with Disabilities Act of 1990 state that qualified students with disabilities who meet the essential functions and academic requirements are entitled to reasonable accommodations. It is the student's responsibility to provide appropriate disability documentation to the College. The ADA Accommodations Office is in FSC 305 (205-856-7731).