

Tutorial Letter 102/3/2018

Money and Banking

BAN2601

Semesters 1 and 2

Finance, Risk Management and Banking

IMPORTANT INFORMATION

This tutorial letter contains important information
about your module.

(CHANGES IN ASSIGNMENT QUESTIONS)

BARCODE

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1. SUMMARY

Dear BAN2601 Student

Kindly note that this Tutorial Letter 102 (TL102) serves to communicate to you of some of the changes to the Tutorial Letter 101(TL101) sent to you and also available on myUnisa and is valid for both semester 01 and semester 02. These changes are to the front page, the introduction (p 3), lecturer(s) and contact details (p 4), recommended books (p 5), assignment 02 semester 01 (p 8), and also assignment 02 semester 02 (p 9) of TL101. Students are encouraged to take the contents of this tutorial letter very seriously and make the necessary changes as outlined in the next sections. Please also regularly go to myUnisa and the Discussion Forums.

These are the sections in TL101 which are changed:

2. INTRODUCTION

You are enrolled for Money and Banking (BAN2601), which forms part of the curriculum of the B. Com Banking and B. Com Financial Management degrees.

3. LECTURER(S) AND CONTACT DETAILS

3.1 Lecturer(s)

I am Adam Ndou, your lecturer for Money and Banking (BAN2601). It is only when you have **queries of an academic nature** that you may contact me. Please have your study material and student number with you when you contact me. You can contact me via;

E-mail at endouaa@unisa.ac.za. Alternatively, make an appointment to see me personally during office hours. (09:00-15:00) or contact me at the following number: +27 12 429 4641

3.2 Secondary Lecturer(s)

You may contact the secondary lecturers for this module as indicated below:

- Mr Kabelo De Jenga
Email: dejenk@unisa.ac.za
- Mr Mpucuko Khoza
Email: khozama@unisa.ac.za
- Ms Retha du Randt
Email: duranr@unisa.ac.za

4. RECOMMENDED BOOKS

- Brandl, M.W, 2017. Money, Banking, Financial Markets and Institutions, first Edition, Cengage Learning. ISBN9780538748575
- Van Wyk, K., Botha, Z., & Goodspeed, I. 2015. Understanding South African Financial Markets. Fifth Edition. Van Schaik Publishers. ISBN9780627033056
- Coetzee, J. 2016. Bank Management in South Africa: a risk-based perspective. First Edition. Juta. ISBN9780702197864

Please consult with me about the chapters relevant to the assignments and the examinations. Also, see documents posted under Additional Resources on myUnisa to assist you with answering the assignments.

5. ASSIGNMENTS

Assignments changes are on assignment 02 for both semester 01 and semester 02, only questions were changed but the due date and unique number remains the same.

5.1 Assignment 02 for Semester 01

Due date: 18 April 2018

Unique number: 792730

Aim: To evaluate your knowledge of some of the fundamental aspects of the role of a Central Bank.

- **Question 1 (5 Marks)**

Discuss inflation targeting with the reference to the role of South African Reserve Bank (example; why does the Reserve Bank use inflation targeting?)

- **Question 2 (10 Marks)**

Credit markets play an essential role in sustaining economic growth. Briefly describe credit market participants and their role in the economy.

- **Question 3 (10 Marks)**

African Bank was recently on the brink of failure; however, the South African Reserve Bank intervened and placed it under curatorship. List and discuss **three** possible scenarios that led African Bank to the brink of failure.

Total Marks

[25]

5.2 Assignment 02 for Semester 02

Due date: 13 September 2018

Unique number: 727977

- **Question 1** **(10 Marks)**

Liquidity risk is the probability or possibility of an institution failing to meet its short-term obligations. Discuss how a commercial bank may go about managing this risk. (Give a step by step process that you would recommend).

(Please note: discussion must be in point form)

- **Question 2** **(15 Marks)**

Assume that after graduating for your qualification, you get a job as the chief financial officer of a small company. Explain why being able to forecast the direction of interest rate changes may be critical for your success in that position (explain three case scenario examples).

Total Marks **[25]**

6. CONCLUSION

The main aim of this tutorial letter was to provide students with **changes** on BAN2601 module content which were indicated on TL101 which was sent to student and also available on myUnisa. These pertained to the front page (which indicates 2017 instead of 2018, Introduction, lecturer(s) and contact details, recommended books and assignment 02 for both semester 01 and semester 02.

It is very important for students to consider the contents of this tutorial letter to ensure that they submit correct assignments for each semester. The assignments due date has not changed, it still the same as indicated by TL101.

Kind regards,

ADAM NDOU
BAN2601 LECTURER