

Curriculum 2023

IBSL Professional Programme



INSTITUTE OF BANKERS OF SRI LANKA

Empowering Future Generations with Knowledge and Skills to lead a commanding career in Banking and Finance.



INSTITUTE OF BANKERS OF SRI LANKA (IBSL)

Empowering Future Generations with Knowledge and Skills to Lead a Commanding Career in Banking and Finance.

IBSL Professional Programme:

**Diploma in Banking and Finance (DBF)
and
Higher Diploma in Banking and Finance (HDBF)**

Curriculum 2023

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MESSAGE FROM THE CHAIRPERSON



It gives me great pleasure as the Chairperson of the Institute of Bankers of Sri Lanka (IBSL) to introduce the new syllabus of the Professional Programme of IBSL which has been revamped to incorporate the new developments in the theory and practice pertaining to the Banking and Finance Industry.

In a highly digitized business environment that prevails today, all business industries are faced with immense challenges to sustain and thrive in their businesses and this is no exception for the banking and finance industry.

In this context, it is imperative for professionals in the banking and finance industry to acquire the relevant skills, competencies, and attitudes to excel in their profession. Considering this ever-changing landscape of the banking and finance industry, the IBSL deemed it crucial to incorporate these new developments into its flagship professional programme to equip those employed in the banking and finance industry as well as those who aspire to get into this prospective industry with the necessary technical competencies and skills.

Keeping that in mind, the syllabus revision process was carried out in a systematic way and entrusted to a team of highly qualified and experienced resource persons in the banking and finance industry as well as academia to ensure the quality and relevance of the syllabus. Further, in developing the new syllabus, the views of our stakeholders were taken into careful consideration through an intensive interactive process.

This revised syllabus involves significant improvements with respect to the contents, delivery, and assessments to reflect student-centered, outcome-based education. The inclusion of subjects on areas such as IT, Digital Banking, Corporate Governance & Ethics, Risk Management, and IS Security are some of the highlights of this new syllabus. Also, a skills-based module on 'Business Communication' has been introduced with the intention of improving the soft skills of students which will be beneficial for their studies as well as for carrying out their duties at their workplaces. Further, once a student completes this professional programme it opens up several avenues for further studies as well as career progression in this industry.

I take this opportunity to express my sincere gratitude to the members of the academic council and all the resource persons who contributed immensely with their professional knowledge and experience in completing this project successfully.

At this landmark juncture of launching the new syllabus, I would like to invite professionals in the banking and finance industry who seek to further enhance their competencies as well as those who aspire to build a career in this prestigious industry to join hands with IBSL to nurture a promising professional career in the banking and finance industry.

T M J Y P Fernando

Chairperson
Institute of Bankers of Sri Lanka
Senior Deputy Governor
Central Bank of Sri Lanka

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1. ABOUT THE INSTITUTE OF BANKERS OF SRI LANKA (IBSL)

The Institute of Bankers of Sri Lanka (IBSL) is the premier and leading institution established with the primary objective of providing instructions and training for employees of banking and finance institutions and those who aspire to build a career in the banking and finance industry to enhance their competencies to thrive in this prestigious industry.

With a proud history of more than half a century since its inception in 1964 as the “Bankers Training Institute (BTI)” and subsequent graduation as a statutory body by the Parliamentary Act of the “Institute of Bankers of Sri Lanka (Incorporation) Act No. 26 of 1979, the IBSL has progressed to having a student strength of nearly 100,000 and members of more than 9,000 serving the nation in different capacities.

IBSL has always been agile and dynamic in discharging its duties for the benefit of all stakeholders and the nation at large. In this spirit, through continuous revisions to the curriculum of the professional programme, IBSL strives to keep abreast with the scope of the changing landscape of the banking and finance industry. Further, by opening opportunities for school leavers to follow the Professional Programme, IBSL enables them to seek employment opportunities in the banking and financial services industry or in any other industry to handle banking and financial operations.

Along with this initiative, the IBSL offered accreditations to selected educational institutes to conduct lectures island-wide to facilitate aspirants to study and prepare for examinations.

The IBSL is managed and guided by the Governing Board comprising of distinguished personalities representing the Central Bank of Sri Lanka (CBSL), Licensed Commercial Banks and Licensed Specialized Banks. The Chairman and Vice Chairman are a Deputy Governor and an Assistant Governor respectively, appointed by the Governor of the CBSL and other members of the Board are CEOs of the respective banks, while members elected by the Associates of the Institute of Bankers of Sri Lanka (AIB Sri Lanka) are members. Curricula and related modules are designed and developed under the guidance of the Academic Council of the IBSL which consists of academics from the State Universities specializing in the fields related to operations of banking and finance and veteran senior bankers with lifelong practical experience in operations of banking and finance.

Through its journey, IBSL has passed many milestones and currently, it is operating in a state-of-the-art twin tower, 12-story building with facilities including modern lecture halls, a library facility with a large collection of textbooks, journals, and other related publications, a fully-fledged auditorium, cafeteria and other amenities.

With all these facilities the IBSL offers an ideal learning environment for aspirants to carry out their studies and build a commanding career in the Banking and Finance industry under the guidance of veterans with both theoretical knowledge and practical experience.

1.1 Our Vision and Mission

Vision

To be the leader in empowering professionals in Banking and Finance to facilitate sustainable growth and national prosperity.

Mission

Provide guidance and facilities to enhance competencies with knowledge and skills in Banking and Finance to become commanding professionals with local and global career prospects.



1.2 Our Objectives

Develop unique professional and academic programmes with international standards to meet the aspirations of all stakeholders.

Attract aspirants and support building active alumni of the highest caliber with updated knowledge and skills.

Provide all of our students with exceptional learning experience to establish life-long relationships with industry experts.

Build a network of international collaborations and partnerships that will enable our alumni broaden their horizons beyond national borders.

Ensure meeting aspirations of stakeholders through our policies, procedures, programmes, infrastructure facilities along with efficient and effective discharge of our duties.

2. INTRODUCTION TO THE IBSL PROFESSIONAL PROGRAMME

2.1 Aim of the Programme

To provide an integrated set of qualifications with knowledge and skills combined with practical experience for aspirants who wish to build and lead a professional career in Banking and Finance.



2.2 Objectives of the Programme

The objectives are to provide students with the opportunities to broaden their knowledge and skills in banking, finance, and related fields both conceptually and theoretically.



2.3 Qualification Attributes



2.4 Programme Learning Outcomes (PLO)

After completing the Diploma in Banking & Finance (DBF) and Higher Diploma in Banking & Finance (HDBF), the qualification holder is expected to possess the following characteristics/competencies.

- 01** | **PROFESSIONAL EXPERTISE**
Demonstrate current and comprehensive knowledge in theoretical and operational aspects related to the business of Banking and Finance.
- 02** | **PRACTICAL COMPETENCE**
Apply knowledge in principles, theories, quality assurance, and regulatory and compliance guidelines to practice and demonstrate practical expertise in the field of Banking and Finance.
- 03** | **EFFECTIVE COMMUNICATION AND NETWORKING**
Practice communication and networking effectively to develop productive relationships within and outside Banking Financial Services Industry and to facilitate administrative, consultative, and professional interactions.
- 04** | **TEAMWORK AND LEADERSHIP**
Demonstrate the ability to work efficiently as a team member and a team leader to establish and achieve common missions and purposes and to direct and collaborate with others while understanding, appreciating and motivating them.
- 05** | **CREATIVITY AND PROBLEM-SOLVING**
Act creatively demonstrating critical thinking and problem-solving abilities in finding solutions to problems encountered, in making improvements, and introducing innovative products.
- 06** | **MANAGERIAL AND ENTREPRENEURIAL SKILLS**
Demonstrate management and leadership skills and entrepreneurial skills in achieving organizational or business goals.
- 07** | **INFORMATION AND DATA MANAGEMENT SKILLS**
Demonstrate abilities in the collection, analysis, presentation, and management of data using traditional and modern methods to facilitate effective decision-making for the advancement of the institution and the industry as a whole.
- 08** | **ETHICAL PROFESSIONAL BEHAVIOUR**
Perform duties and responsibilities that demonstrate an understanding of ethical behaviour and professional standards.
- 09** | **SELF-MANAGEMENT AND LIFELONG LEARNING**
Develop a vision to direct life through reflective practice and lifelong learning, exhibit the ability to adapt and respond to changing and challenging situations in personal and professional life.

2.5 Entry Qualifications

Minimum entry qualifications for new student registrations are as follows:

- I. GCE (A/L) in Sri Lanka in any stream having three (03) simple passes in one sitting or equivalent foreign examination;

OR

- II. Degree from a recognized university in Sri Lanka / Foreign Degree approved by the University Grants Commission (UGC);

OR

- III. Professional qualification from a recognized professional institute in Sri Lanka or abroad;

OR

- IV. Part qualification of a professional/academic institute in Sri Lanka or abroad subject to the condition that the level should be equivalent to Level 2 of the Sri Lanka Qualification Framework (SLQF) / NVQ 4 of National Vocational Qualification Levels of Sri Lanka, subject to the approval of the Institute;

OR

- V. Mature Entry: Those employed in the Banking / Finance industry and over 18 years of age with a minimum of eight (08) years of experience proved by a recommendation letter from the employer are considered for registration under this category subject to the approval of the Institute;

OR

- VI. Any other qualification approved by the Institute

2.6 Programme Duration and Credit Load

Minimum Duration: Two (02) years.

Table 01: Duration and credit structure of the professional programme.

Programme	Duration	Credit Load
DBF	01 year	30
HDBF	01 year	30

2.7 Programme Delivery and Learner Support Systems

Lectures at IBSL Towers are delivered in a hybrid environment that allows for both physical and online participation. Accordingly, students may choose the mode they prefer. Lectures are also held at IBSL accredited centers around the country. Students can also prepare for the exams through self-study. IBSL provides library facilities at the IBSL Towers, which can be accessed by all students registered with IBSL.

2.8 Media of Lectures and Examinations

The examinations and lectures under DBF and HDBF are conducted in all three media; Sinhala, Tamil and English. Accordingly, candidates may take the examinations under the DBF and HDBF in a medium of their choice.

2.9 Method of Conducting Examinations

Examinations are conducted biannually island-wide in centers established by the IBSL in coordination with the Zonal Directors of the Department of Education. Mid-semester assessments are conducted online through the Learning Management System (LMS) of IBSL.

2.10 Gradings of the Performance at the Examinations

Gradings of performance based on the marks secured at the examination are given in the following table.

Table 02: Grades of Performance

Marks	Grade	Classification
80 – 100	A	Distinction
65 – 79	B	Merit Pass
50 – 64	C	Simple Pass
Below 50	D	Fail

3. DETAILS OF THE IBSL PROFESSIONAL PROGRAMME

The professional programme offers the aspirants a complete set of qualifications to be equipped with the required knowledge, skills and exposure to lead a promising career in Banking and Finance. It has two stages, namely “Diploma in Banking and Finance (DBF)” and “Higher Diploma in Banking and Finance (HDBF)”.

3.1 Diploma in Banking and Finance (DBF)

The DBF qualification is the intermediate stage in the professional pathway and provides the foundation for a career in banking and finance focusing on the operational environment, basic characteristics, concepts, theoretical background, and basic managerial aspects related to the Banking and Financial services sector. It is a complete revision of the existing curriculum to meet the requirements of human resources with knowledge and skills in the Banking and Financial services industry to work efficiently and effectively to meet the challenges of current and emerging changes in the industry in a digitalized environment. Accordingly, the revision process focused on addressing not only current developments but also future challenges in this highly dynamic service industry. Table 03 below shows the subjects in the DBF programme.

Table 03 Subjects in the DBF Programme

COURSE CODE	COURSE TITLE
DBF 11014	Survey of Financial Systems
DBF 11024	Elements of Banking and Non-bank Finance
DBF 11034	Accounting and Auditing
DBF 11043	IT, Digital Banking, and Settlements
DBF 11053	Economics for Banking
DBF 12064	Principles of Law
DBF 12074	Quantitative Techniques
DBF 12084	Principles of Management
DBF 12093	Ethics and Client Management
DBF 12103	Principles of Marketing
DBF 12110	Business Communication

3.2 Higher Diploma in Banking and Finance (HDBF)

The HDBF is the final stage of the professional path and is designed to expose the aspirants to more advanced materials on operations of Banking and Financial services with more emphasis on managerial aspects of different types, mainly focusing on compliance and customer services.

Table 04 Subjects in the HDBF Programme

COURSE CODE	COURSE TITLE
HDBF 21124	Central Banking and Monetary Policy
HDBF 21134	Law Relating to Banking and Practice of Banking
HDBF 21144	Credit Management
HDBF 21153	International Trade and Finance
HDBF 21163	Corporate Governance and Ethics
HDBF 22174	Compliance and Regulations
HDBF 22184	Risk Management and IS Security
HDBF 22194	Strategic Leadership
HDBF 22203	Advanced Quantitative Techniques
HDBF 22213	Financial Management and Treasury Operations

4. TRANSITIONAL ARRANGEMENTS

Tables 5 and 6 below show the transitional arrangements from the 2014 syllabus to the 2023 syllabus of the Professional Programme.

Table 05: Eligibility for transfer credits from IABF to DBF

Subject-based Transitional Arrangements			
2014 Syllabus Intermediate in Applied Banking & Finance (IABF)		2023 Syllabus Diploma in Banking & Finance (DBF)	
I 01	Survey of Financial Systems	DBF 11014	Survey of Financial Systems
I 02	Commercial Banking	DBF11024	Elements of Banking and Non-bank Finance
I 06	Non-banking Financial Business		
I 03	Business Accounting	DBF 11034	Accounting and Auditing
I 04	Introduction to Banking and Financial Law	DBF 12064	Principles of Law
I 05	Principles of Economics	DBF 11053	Economics for Banking
I 07	Financial Client Management	DBF 12093	Ethics and Client Management
I 08	Business Mathematics and Statistics	DBF 12074	Quantitative Techniques
<p>Following subjects in the DBF are newly introduced in the 2023 syllabus and students are required to sit and pass them to complete the DBF.</p> <ul style="list-style-type: none"> • DBF 11043 : IT, Digital Banking, and Settlements • DBF 12084 : Principles of Management • DBF 12103 : Principles of Marketing • DBF 12110 : Business Communication 			
Level-based Transitional Arrangements			
<p>Students who have completed IABF under the 2014 syllabus will be credited from all the subjects in the DBF of the 2023 syllabus and are eligible to sit for the subjects in HDBF in the 2023 syllabus without sitting for any additional subjects in DBF.</p>			

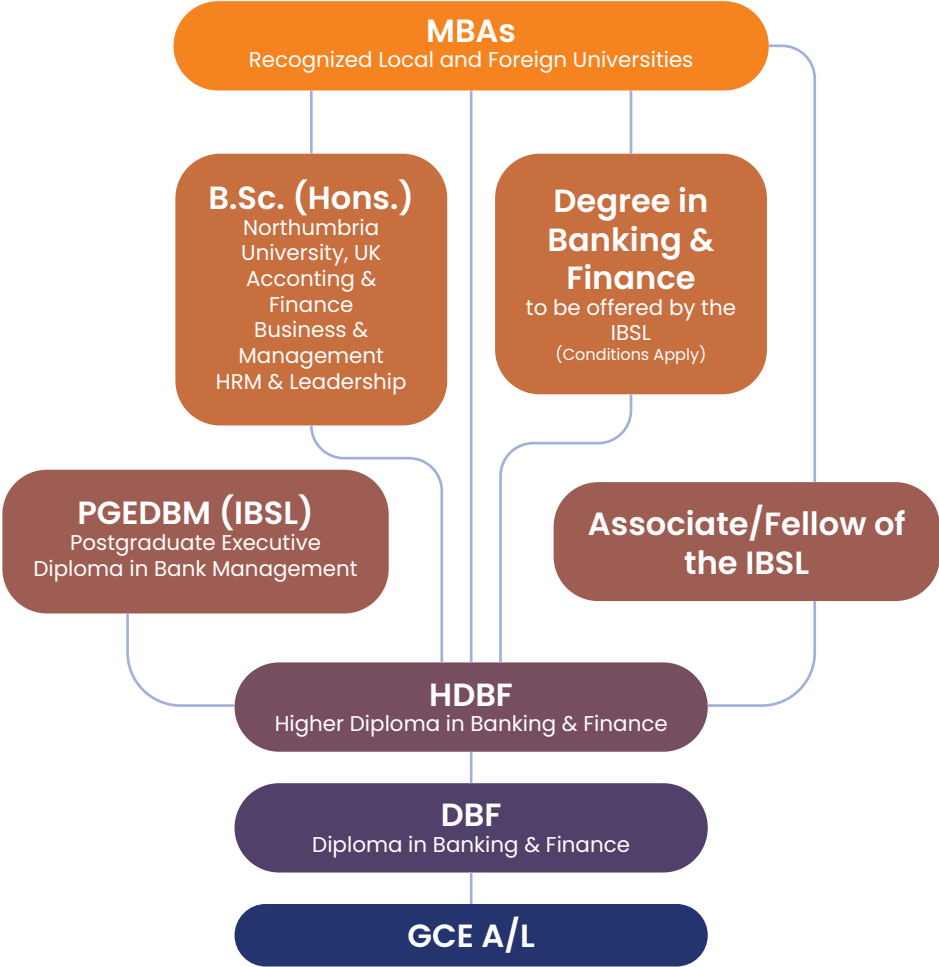
Table 06: Eligibility for transfer credits from DABF to HDBF

Subject-based Transitional Arrangements			
2014 Syllabus Diploma in Banking & Finance (DABF)		2023 Syllabus Higher Diploma in Banking & Finance (HDBF)	
D 01	Economics of Money and Monetary Policy	HDBF 21124	Central Banking and Monetary Policy
D 09	Central Banking		Financial Management and Treasury Operations
D 02	Financial Management	HDBF 22213	
D 03	International Trade and Finance	HDBF 21153	International Trade and Finance
D 04	Credit Management	HDBF 21144	Credit Management
D 05	Financial Institution Management	No comparable subject	No transfer credit
D 06	Financial Markets Operations	No comparable subject	No transfer credit
D 07	Investment Banking	No comparable subject	No transfer credit
D 08	Development Finance	No comparable subject	No transfer credit
<p>The following subjects are newly introduced in the 2023 syllabus and students are required to sit and pass them to complete the HDBF.</p> <ul style="list-style-type: none"> • HDBF 21134 : Law Relating to Banking and Practice of Banking • HDBF 21163 : Corporate Governance and Ethics • HDBF 22174 : Compliance and Regulations • HDBF 22184 : Risk Management and IS Security • HDBF 22194 : Strategic Leadership • HDBF 22203 : Advanced Quantitative Techniques 			
Level-based Transfer Credits			
<p>Students who have completed DABF under the 2014 syllabus are not required to sit for any subjects in the HDBF of the 2023 syllabus.</p>			

5. CAREER DEVELOPMENT PATH OF IBSL

Figure 01 below illustrates the career development paths available at IBSL for those who aspire to build a career in the Banking and Finance Industry.

Figure 01: Career Development Path of IBSL



6. ACTION VERBS CHECKLIST

Table 07 below outlines the action verbs relevant to the delivery and assessment of the syllabi of DBF and HDBF Programmes.

Table 07: Action Verbs Checklist

Knowledge Process	Verb List	Verb Definitions
Level-1 Remember <i>Recall important information.</i>	Define	Describe exactly the nature, scope, or meaning.
	Describe	Convey an idea in writing or in words.
	Identify	Recognize, establish or select after consideration.
	Recognize	Show validity using knowledge or contextual experience.
	Relate	To establish logical or causal connections.
Level-2 Comprehension <i>Explain important information.</i>	Construct	Create a theory or argument by systematically arranging ideas.
	Differentiate	Constitute a difference that distinguishes something.
	Discuss	Examine in detail by argument showing different aspects for the purpose of arriving at a conclusion.
	Explain	Make a clear description in detail revealing relevant facts.
	Illustrate	Clarify by giving an example.
	Interpret	Present in an explainable term or translate.
	Review	Look over, study, or examine again.
	Solve	To find a solution through calculation or explanation.
Level-3 Application <i>Use knowledge in a setting other than the one in which it was learned / Solve closed-ended problems</i>	Apply	Put to practical use.
	Calculate/ Compute	Make a mathematical computation.
	Clarify	Make a statement or situation less confusing and more comprehensible.
	Determine	Establish or ascertain after consideration, investigation, or calculation.
	Demonstrate	Prove, especially with examples.
	Justify	Show or prove to be right or reasonable.
	Practice	The actual application or use of an idea, belief, or method, as opposed to theories relating to it.
	Prepare	Make ready for a particular purpose.
Use	Apply for a purpose.	

Level-4 Analysis <i>Draw relations among ideas and to compare and contrast</i> <i>/ Solve open-ended problems.</i>	Analyze	Examine in detail in order to determine the solution or outcome.
	Appraise	Assess based on quality, amount, and other features for judgments.
	Compare	Examine for the purpose of discovering similarities.
	Contrast	Compare in order to show unlikeness or differences.
	Criticize	Form and express a judgment.
	Distinguish	Recognize or treat something as different.
	Examine	Consider in detail in order to discover essential features or meanings.
	Inspect	Examine carefully and critically.
	Investigate	Carry out a systematic or formal inquiry to discover and examine the facts to establish an idea or a theory.
	Outline	Make a summary of significant features.
Level-5 Evaluate <i>Formation of judgments and decisions about the value of methods, ideas, people, or products.</i>	Advise	Offer suggestions about the best course of action in a manner suited to the recipient.
	Ascertain	Find something out for certain or make sure of.
	Decide	Come or bring to a resolution in the mind as a result of consideration.
	Design	Form or structure according to a plan.
	Diagnose	Determine the nature of a problem by examination.
	Evaluate	To determine the significance by careful appraisal.
	Formulate	Create or prepare methodically.
	Organize	Arrange systematically to put together into an orderly, functional or structured manner.
Recommend	A suggestion or proposal as to the best course of Action.	
Level-6 Synthesis <i>Solve unfamiliar problems by combining different aspects to form a unique or novel solution.</i>	Assess	Determine the value, nature, ability, or quality.
	Develop	To disclose, discover, perfect or unfold a plan or idea.
	Propose	To form or declare a plan or intention for consideration or adoption.

DBF

Diploma in Banking and Finance

7. DETAILED STRUCTURE OF THE SYLLABUS: DIPLOMA IN BANKING AND FINANCE (DBF)

Table 08 below outlines the subjects of the Diploma in Banking and Finance Programme with the relevant codes and the status.

Table 08: Subjects in Diploma in Banking and Finance (DBF)

	Course Title	Course Code	Status	Credits
Semester – I	Survey of Financial Systems	DBF 11014	Compulsory	04
	Elements of Banking and Non-bank Finance	DBF 11024		04
	Accounting and Auditing	DBF 11034		04
	IT, Digital Banking and Settlements	DBF 11043	*Optional	03
	Economics for Banking	DBF 11053		03
Semester – II	Principles of Law	DBF 12064	Compulsory	04
	Quantitative Techniques	DBF 12074		04
	Principles of Management	DBF 12084		04
	Ethics and Client Management	DBF 12093	*Optional	03
	Principles of Marketing	DBF 12103		03
	Business Communication	DBF 12110	Compulsory & non-credit module	N/A
Total Credits				30

* Students are required to select any one (01) subject out of the two (02) optional subjects offered in each semester.

Course Title	Survey of Financial Systems				
Course Code	DBF 11014				
Credit Value	04				
Status	Core				
Level	I				
Semester	I				
Overall Learning Outcomes	At the end of the course unit, students should be able to:				
<ol style="list-style-type: none"> 1. Identify the operational mechanism of a financial system. 2. Identify the role of a financial system in an economy. 3. Identify money and its characteristics. 4. Provide arguments for a sound policy intervention that alleviates some of the problems arising from volatility of real and financial markets. 5. Describe financial markets, institutions and instruments. 6. Explain the causes for financial crises. 7. Discuss the regulatory systems in the financial system. 					
Course contents:					
Topic	Weightage (%)	Learning outcomes		Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:			
1. The role of the financial system in the economy	05%	<ol style="list-style-type: none"> i. Explain the structure of the financial system. ii. Discuss the role of the financial system in the economy. 		Interactive lectures, group discussions	Mid semester and end semester examination.
2. Money	15%	<ol style="list-style-type: none"> i. Recognize the evolution of money. ii. Discuss the barter system and its evolution to the current system. iii. Evaluate the theories to discuss the money demand (Liquidity Preference Theory, Monetarist Approach, Quantity Theory of Money). iv. Identify and define the money supply. v. Explain the role of Licensed Banks, Financial Intermediary of commercial banks and its importance to an economy. 		Interactive lectures, group discussions.	Mid semester and End semester examination.

3. Financial markets and securities/products	25%	<ul style="list-style-type: none"> i. Describe the process of financial markets. ii. Comprehend the types and structure of financial markets. iii. Outline the functions of financial markets. iv. Differentiate direct finance and indirect finance. v. Describe financial market products (deposits, stocks, bonds, repos, and reverse repos, foreign exchange, structured finance, financial derivatives, units, venture capital). 	Interactive lectures, group discussions.	Mid semester and end semester examination.
4. Financial institutions	30%	<ul style="list-style-type: none"> i. Analyze the role of financial intermediaries. ii. Recognize the financial institutions and their functions (Central Bank, financial intermediaries (commercial banks, finance companies, leasing companies, insurance companies, factoring companies, co-operatives), financial service providers (investment banks, fund management companies, payments service providers, money changers, dealers, brokers, exchanges, securities, depositories). 	Interactive lectures, group discussions.	End semester examination.
5. Financial system stability	15%	<ul style="list-style-type: none"> i. Identify what is a financial crisis (banking, markets, and debt crises). ii. Analyze the causes behind the Asian financial crisis and global financial crisis (nature, reasons, impact and resolutions). iii. Recognize the systematically important financial institutions (too-big-to-fail), shadow banking and risks, financial stability frameworks. 	Interactive lectures, group discussions.	Case analysis, and end semester examination.
6. Financial safety net mechanism	10%	<ul style="list-style-type: none"> i. Discuss the financial sector regulators (capital market, banks, non-bank financial institutions and insurance) towards financial stability. ii. Recognize the major roles of those regulators and major instruments. 	Interactive lectures, group discussions.	End semester examination.
	100%			

Recommended reading:

- Mishking, F.S., Eakins, S.G., *Financial Markets and Institutions*, 10th edition, Pearson.
- Mishking, F.S., *The Economics of Money, Banking, and Financial Markets*, 13th edition, Pearson.
- Bain, K., Howells, P., *Monetary Economics: Policy and Its Theoretical Basis*, 2nd edition, Macmillan Education UK.
- Central Bank Directives.

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-term Exam	40%
Final exam	60%
Total	100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 04 credit course unit, the notional learning time for the course unit is 200 hours (04 * 50), consisting of:

Face-to-face contact time	= 60 Hours
Directed self-study through LMS	= 40 Hours
Self-directed learning expected	= 40 hours
Assessment, review and revision	= 60 Hours
Total	= 200 Hours

Course Title	Elements of Banking and Non-Bank Finance			
Course Code	DBF 11024			
Credit Value	4			
Status	Core			
Level	I			
Semester	I			
Overall Learning Outcomes	At the end of the course unit, students should be able to:			
<ol style="list-style-type: none"> 1. Explain the role of a Licensed Bank and its involvement as a Financial Intermediary in an economy. 2. Identify the Banker-Customer relationship. 3. Differentiate the types of bank accounts, their special features, operational procedures, and banking delivery channels. 4. Identify the difference between fund-based and fee-based activities. 5. Explain the methods of remittances used through the formal channels. 6. Discuss the role of financial intermediaries as authorized dealers in foreign exchange transactions. 7. Explain the international payment methods. 8. Explain the importance of AML and KYC/KYCC. 9. Explain the new technologies used in banking services. 				
Course contents:				
Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. The role of the financial system in the economy	05%	<ol style="list-style-type: none"> i. Explain the basic concept of credits/lending. ii. Explain the structure of the Financial System in Sri Lanka. 	Interactive lectures, group discussions	Mid semester and end semester examination.
2. Banker-customer relationships and the nature of such relationships	10%	<ol style="list-style-type: none"> i. Explain the basic relationship between Banker and Customers. ii. Explain the banker's duties, obligations, and rights. iii. Explain the customer's rights, obligations, and duties. iv. Identify the nature of the banker-customer relationship and its different attributes. v. Explain the duty of secrecy, its application and exemptions. 	Interactive lectures, group discussions.	Mid semester and End semester examination.

3. Banking business lines-Fund based deposit products	10%	<ul style="list-style-type: none"> i. Explain the different types of account holders and bank accounts. ii. Identify the special features of each account and the required documents to open accounts. iii. Identify the operations of current accounts. iv. Identify the parties involved in a cheque, the types of cheques and their usage. v. Explain the crossing of cheques, its different types and the implications. vi. Explain the operations of Power of Attorney. vii. Explain the operations of Nomination and its implication. 	Interactive lectures, group discussions.	Case analysis, mid semester and end semester examination.
4. Banking business lines-Fund based assets products	20%	<ul style="list-style-type: none"> i. Explain the different types of loans and advances. ii. Explain the basic lending principle and evaluation of loans. iii. Describe the administration of loans and follow-ups. iv. Identify early warning signals. v. Describe preventive measures. vi. Describe the classification of loans. vii. Explain provisions and impairments. 	Interactive lectures, group discussions.	Mid semester and end semester examination.
5. Banking business lines – Fee based activities	10%	<ul style="list-style-type: none"> i. Explain the fee-based activities. ii. Differentiate from fund-based activities. iii. Identify the fee income generation from Retail Banking. iv. Identify the fee income derived from SMEs and corporate banking. v. Explain the innovative fee-based activities that are envisaged in banking industry. 	Interactive lectures, group discussions.	End semester examination.

6. Methods of remittance and its significance to the economy	10%	<ul style="list-style-type: none"> i. Describe the different types of remittances. ii. Identify the regulatory requirements on inward and outward remittances. iii. Describe each mode of remittance and its usage. iv. Differentiate the domestic remittances and the international remittances. v. Identify the latest technologies used in remittance products. vi. Explain the risks and the challenges involved in international remittances. vii. Identify the mitigating factors. 	Interactive lectures, group discussions.	Case analysis, end semester examination.
7. Authorized dealers for foreign currency operations	10%	<ul style="list-style-type: none"> i. Explain the role of an Authorized Dealer. ii. Identify the correspondent banking relationships. iii. Describe the usage of SWIFT and its importance in communication. iv. Differentiate between Nostro and Vostro accounts and its usage in foreign exchange transactions. v. Explain the Foreign Exchange Act and its key provisions. vi. Explain the definition of resident and non-resident. vii. Differentiate between current transactions and capital transactions. viii. Explain designated foreign currencies. ix. Identify the types of permitted foreign currency accounts and the required eligibility criteria to open the same. x. Identify the foreign currency loans and eligibility criteria to obtain such loans. 	Interactive lectures, group discussions.	End semester examination.

1. Payment terms used in international trade	10%	<ul style="list-style-type: none"> i. Describe the operations of a Letter of Credit. ii. Explain the documentary collections. iii. Differentiate between Advanced Payment and Open Account. iv. Describe the different functions of Bill of Lading and its importance in international trade. v. Define the types of Bank Guarantees. vi. Describe the functions of direct and indirect bank guarantees. vii. Explain the role of the Indirect Bank guarantee and its importance to international trade. viii. Explain the role of Clearing Unit. 	Interactive lectures, group discussions.	End semester examination.
2. Anti- Money Laundering (AML) and Countering Financing of Terrorism (CFT)	5%	<ul style="list-style-type: none"> i. Explain the definition of Money Laundering and its cycle. ii. Explain the impact of anti-money laundering to the economy. iii. Explain the local regulations related to Money Laundering. iv. Explain the role of Anti-Money Laundering (AML) and the Countering Financing of Terrorism (CFT). v. Evaluate the role of the Financial Intelligence Unit (FIU) of CBSL and the Financial Action Task Force (FATF). vi. Explain the concept of Know Your Customers and Due Diligence. 	Interactive lectures, group discussions.	Case analysis and end semester examination.
3. Usage of new technology in banking and delivery channels	10%	<ul style="list-style-type: none"> i. Explain the usage of the core banking system and its importance to routine banking operations. ii. Explain the potential risk of using information technology. iii. Explain the digital delivery channels. iv. Explain usage of Blockchain technology. v. Explain the new trends in relation to the technological perspective of banking services. 	Interactive lectures, group discussions.	Case analysis and end semester examination.
	100%			

Recommended reading:

- Directions issued by the Bank Supervision Dept. of the Central Bank of Sri Lanka (CBSL) and the Monetary Board on commercial banks from time to time.
- Foreign Exchange Act no. 12 of 2017 and the Directions issued by the Dept. of Foreign Exchange of CBSL from time to time.
- Operating Instructions issued by Import and Export Control Dept. from time to time.
- Directions on operational changes issued by Credit Information Bureau (CRIB).
- Directions issued by the Payments and Settlements Dept. of CBSL from time to time.
- Operating instructions issued by Inland Revenue Dept.
- Directions issued by the Financial Intelligence Unit (FIU) of CBSL.

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-term Exam	40%
Final exam	60%
Total	100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 04-credit course unit, the notional learning time for the course unit is 200 hours (04 * 50), consisting of:

Face-to-face contact time	= 60 Hours
Directed Self-study through Moodle	= 40 Hours
Self-directed learning expected	= 40 hours
Assessment, review and revision	= 60 Hours
Total	= 200 Hours

Course Title	Accounting and Auditing			
Course Code	DBF 11034			
Credit Value	04			
Status	Core			
Level	I			
Semester	I			
Overall Learning Outcomes	At the end of the course unit students should be able to:			
<ol style="list-style-type: none"> 1. Explain the fundamental principles, concepts and assumptions in accounting. 2. Prepare books of original entry. 3. Apply double entries, prepare ledger accounts and extract trial balance. 4. Prepare bank reconciliation statement. 5. Apply important accounting standards in the preparation of financial reports. 6. Preparation of financial reports for different business entities. 7. Interpretation and application of Financial Information and financial indicators. 8. Identify applicable legal provisions on financial reporting of financial institutions. 9. Compute and interpret the impact of taxation on profitability 10. Explain key concepts in costing. 11. Describe the importance of Auditing for a financial institution and key elements of auditing. 				
Course contents:				
Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. Introduction to accounting	03%	<ol style="list-style-type: none"> i. Explain what is Accounting? <ol style="list-style-type: none"> a) Definition b) Role of Accounting c) Accounting cycle d) Advantages and limitations in accounting e) Impact of changes in environmental factors on accounting (political, economic, social, technical etc.) ii. Explain types of accounting: <ol style="list-style-type: none"> a) Financial Accounting b) Cost Accounting c) Management Accounting 	Interactive lectures, tutorials and group discussions.	Mid semester and end semester examination.

2. Basics in accounting	08%	<p>i. Explain key elements in accounting:</p> <ul style="list-style-type: none"> a) Assets b) Liabilities c) Equity d) Income e) Expenses <p>ii. Explain and calculate measurement of elements:</p> <ul style="list-style-type: none"> a) Historical cost b) Current cost c) Net Realizable Value d) Present Value <p>iii. Conceptual framework for financial reporting.</p> <p>iv. Explain financial information.</p> <p>v. Qualitative characteristics of useful financial information:</p> <ul style="list-style-type: none"> a) Fundamental qualitative characteristics. b) Enhancing qualitative characteristics. c) Constraints on useful financial reporting. <p>vi. Describe salient points in financial reporting:</p> <ul style="list-style-type: none"> a) Objectives of financial reporting. b) Difference between book keeping and financial reporting. c) Financial reporting process. d) Limitations in financial reporting. <p>vii. Explain key stakeholders in financial reporting and information:</p> <ul style="list-style-type: none"> a) Users of financial information and specific need. b) Key parties involved in financial reporting process. c) Responsibilities of key parties involved. 	Interactive lectures, tutorials and group discussions.	Mid semester and end semester examination.
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3. Fundamentals in accounting	05%	<p>i. Explain key accounting principles / concepts /assumptions.</p> <ul style="list-style-type: none"> a) Accrual b) Business Entity c) Consistency d) Dual Aspect e) Full Disclosure f) Going Concern g) Historical Cost h) Matching i) Materiality j) Money Measurement k) Periodic <p>ii. Provide general overview of accounting standards:</p> <ul style="list-style-type: none"> a) International Accounting Standards and Sri Lanka Accounting Standards. b) Legal framework for accounting standards. c) Accounting standards setting process. d) Difference between accounting standards and accounting principles/concepts. <p>iii. Explain double entry bookkeeping system:</p> <ul style="list-style-type: none"> a) Dual aspect of an event or a transaction. b) Accounting equation. <p>iv. Apply accounting equation:</p> <ul style="list-style-type: none"> a) Double entry accounting system for assets, liabilities and equity. b) Double entry accounting system for income and expenses. c) Effect of profit or loss on capital. 	Interactive lectures, tutorials and group discussions.	Mid semester and end semester examination.
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4. Books of original entry	08%	<p>i. Describe key books of original entry.</p> <p>ii. Prepare sales day book:</p> <ul style="list-style-type: none"> a) Cash sales and credit sales. b) Sales day book and sales ledger. c) Relevant source documents. d) Trade discount and cash discount. e) Entries in sales day book and sales ledger. f) Credit/debtors control account. <p>iii. Prepare purchases day book:</p> <ul style="list-style-type: none"> a) Cash purchases and credit purchases. b) Purchases day book and purchases ledger. c) Relevant source documents. d) Recording of trade discounts and cash discounts. e) Entries in purchases day book and purchases ledger. f) Purchase/creditors control account. <p>iv. Prepare return inwards/sales returns day book:</p> <ul style="list-style-type: none"> a) Return Inwards b) Credit Notes c) Entries in Return Inward Day Book <p>v. Prepare return outwards/purchases returns day books:</p> <ul style="list-style-type: none"> a) Return outwards b) Debit notes c) Entries in return outward day book <p>vi. Prepare cash book:</p> <ul style="list-style-type: none"> a) Drawing up a cash book. b) Cash Book with bank column. c) Cash discounts – allowed and received. 	Interactive lectures, tutorials and group discussions.	Mid semester and end semester examination.
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		<p>vii. Prepare petty cash book:</p> <ol style="list-style-type: none"> Division of cash book. Imprest system. Illustration. <p>viii. Prepare journals:</p> <ol style="list-style-type: none"> Uses of the journal Journal entries (opening entries, correction of errors, closing entries, adjustment entries etc.). 		
5. Debits and Credits	08%	<p>i. Explain chart of accounts:</p> <ol style="list-style-type: none"> Purpose Examples of different types of entities. <p>ii. Prepare ledger accounts:</p> <ol style="list-style-type: none"> T accounts. Balancing of ledger accounts. <p>iii. Prepare Trial Balance:</p> <ol style="list-style-type: none"> Purpose Types of errors that do not affect the total of the trial balance: <ul style="list-style-type: none"> Errors of omission. Errors of commission. Errors of principle. Compensating errors. Errors of original entry. Complete reversal of entries. Transposition errors. Types of errors that do affect the total of the trial balance. <p>iv. Prepare Suspense Account.</p> <ol style="list-style-type: none"> Purpose of suspense account. Effects of errors on the profit. Effects of errors on the assts and liabilities. Entries to correct errors. 	Interactive lectures, group discussions.	Mid semester and end semester examination.

6. Bank reconciliation statement	04%	<p>i. Prepare bank reconciliation statement:</p> <p>a) Purpose of bank reconciliation statement.</p> <p>b) Advantages of preparing the bank reconciliation statement.</p> <p>c) Reasons for differences in bank balance.</p> <p>d) Dishonored cheques.</p> <p>e) Bank overdraft.</p> <p>f) Adjusting entries.</p> <p>ii. Explain the bank reconciliation process:</p> <p>a) Corrected bank book.</p> <p>b) Preparation of bank statement.</p>	Interactive lectures, tutorials and group discussions.	Mid semester and end semester examination.
7. Key financial statements	08%	<p>i. Explain the salient points in Sri Lanka Accounting Standard 1 (LKAS 1) – Presentation of Financial Statements.</p> <p>ii. Key requirements in financial statements:</p> <p>a) Clear identification of financial statements with other information.</p> <p>b) Reporting entity.</p> <p>c) Reporting period.</p> <p>iii. Prepare a complete set of financial statements:</p> <p>a) Statement of Financial Position:</p> <ul style="list-style-type: none"> • Presentation format. • Current and non-current classification of assets. • Current and non-current classification of liabilities. • Order of liquidity. • Line items. <p>b) Statement of Profit or Loss and Other Comprehensive Income:</p> <ul style="list-style-type: none"> • Presentation format. • Profit or loss. • Other comprehensive income. 	Interactive lectures, tutorials and group discussions.	Mid semester and end semester examination.

		<ul style="list-style-type: none"> • Choice in presentation. • Line items. <p>c) Statement of changes in equity:</p> <ul style="list-style-type: none"> • Format • Line items <p>d) Statement of cash flows:</p> <ul style="list-style-type: none"> • LKAS 7 – Statement of cash flows. • Direct and indirect methods of preparing cash flows. • Presentation format. • Operating cash flows. • Investing cash flows. • Financing cash flows. • Cash and cash equivalents. <p>e) Notes, comprising a summary of significant accounting policies and other explanatory notes.</p> <p>f) Comparative information. in g</p> <p>g) Advantages of each financial statement for different stakeholders.</p>		
8. LKAS 2 – Inventories	03%	<p>i. Measurement of Inventories:</p> <p>a) Cost</p> <p>b) Net Realizable Value</p> <p>ii. Prepare accounting adjustments for inventory disclosures.</p>	Interactive lectures, tutorials and group discussions.	End semester examination.
9. LKAS 16 – Property, Plant and Equipment	04%	<p>i. Explain recognition of property, plant, and equipment.</p> <p>ii. Explain the initial measurement of property, plant and equipment.</p> <p>iii. Subsequent measurement of property, plant and equipment.</p> <p>a) Cost Model</p> <p>b) Revaluation Model</p> <p>iv. Explain and compute the useful life and salvage value of an asset.</p> <p>v. Compute depreciation:</p> <p>a) Purpose</p> <p>b) Depreciation calculation methods:</p>	Interactive lectures, tutorials and group discussions.	End semester examination.

		<ul style="list-style-type: none"> • Straight line method. • Diminishing balance method. • Unit of production method. • Double-declining balance method. • Sum of years digits. <p>c) Advantages and disadvantages of each depreciation method.</p> <p>d) Accounting of depreciation.</p> <p>vi. Disposal of property, plant and equipment.</p> <ul style="list-style-type: none"> • Accounting Entries • Gain/Loss on Disposal • Disclosures 		
10. Income tax	03%	<p>i. Compute and explain:</p> <p>a) Accounting profit</p> <p>b) Taxable profit</p> <p>c) Timing difference</p> <p>d) Current tax</p> <p>e) Differed tax</p> <p>f) Calculation of income tax.</p> <p>g) Accounting of income tax.</p> <p>h) Disclosures</p>	Interactive lectures, tutorials and group discussions.	Case analysis and end semester examination.
11. Financial statements of different entities	10%	<p>i. Prepare financial statements of a sole proprietorship:</p> <p>a) What is a sole proprietorship?</p> <p>b) Objectives of financial statements of a sole proprietorship.</p> <p>c) Adjusting entries relating to a sole proprietorship:</p> <ul style="list-style-type: none"> • Closing inventory • Accrued expenses • Pre-payments • Income received in advance • Income receivable • Depreciation • Bad and doubtful debts • Income tax 	Interactive lectures, tutorials and group discussions.	Case analysis and end semester examination.

		<ul style="list-style-type: none"> • Disposal of fixed assets <p>d) Formats and preparation of financial statements:</p> <ul style="list-style-type: none"> • Statement of financial position. • Profit or loss/income statement. <p>ii. Prepare financial statements of a manufacturing entity:</p> <p>a) Objectives of financial statements of a manufacturing entity.</p> <p>b) Expenses allocation to manufacturing account.</p> <p>c) Formats and preparation of financial statements.</p> <ul style="list-style-type: none"> • Statement of Financial Position. • Profit or Loss/Income Statement. <p>iii. Financial Statements of a Partnership:</p> <p>a) What is a partnership business?</p> <p>b) Objectives of financial statement of a partnership business.</p> <p>c) Adjusting entries relating to a partnership:</p> <ul style="list-style-type: none"> • Interest on capital • Partner's salary • Interest on drawings • Profit distribution • Admission of a partner • Retirement of a partner • Goodwill • Revaluation of assets • Dissolution of a partnership business. <p>d) Formats and Preparation of Financial Statements</p> <ul style="list-style-type: none"> • Capital Account • Appropriation Account 		
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		<ul style="list-style-type: none"> • Statement of Financial Position • Profit or Loss/Income Statement 		
12. LKAS 8 – Accounting policies, changes in accounting estimates, and errors	03%	<p>i. Explain salient points of accounting policies:</p> <ol style="list-style-type: none"> a) Selection and application of accounting policies. b) Consistency of accounting policies. c) Changes in accounting policies. d) Related disclosures. <p>ii. Explain and compute for accounting estimates:</p> <ol style="list-style-type: none"> a) Changes in accounting estimates. b) Related disclosures. <p>iii. Compute for errors:</p> <ol style="list-style-type: none"> a) Adjustments required for errors. b) Related disclosures. 	Interactive lectures, tutorials and group discussions.	Case analysis and end semester examination.
13. Interpretation and application of financial information.)	08%	<p>i. Interpret financial information.</p> <p>ii. Advantages of ratio analysis.</p> <p>iii. Main financial ratios.</p> <ol style="list-style-type: none"> a) Ratios relating to liquidity: <ul style="list-style-type: none"> • Working capital • Current assets ratio • Quick assets ratio • Liquid assts to total assets • Stock turnover ratio • Ratios relating to financial institutions (Statutory liquid assets ratio, liquidity coverage ratio, net stable funding ratio). b) Solvency related ratios: <ul style="list-style-type: none"> • Leverage ratio • Debt to equity ratio • Interest coverage ratio • Ratios relating to financial institutions (Capital adequacy ratio). 	Interactive lectures, tutorials and group discussions.	Case analysis and end semester examination.

		<p>c) Ratios on assets quality:</p> <ul style="list-style-type: none"> • Ratios relating to financial institutions. (Non-performing loans ratio, provision coverage ratio, impaired assets ratio, concentration ratio). <p>d) Profitability ratios:</p> <ul style="list-style-type: none"> • Return on assets • Return on equity • Efficiency ratio • Cost-to-income ratio • Interest margin <p>e) Investor related ratios:</p> <ul style="list-style-type: none"> • Net assets per share • Earnings per share • Dividends per share • Dividend payout ratio <p>iv. Prudential ratios:</p> <p>a) Explain prudential ratios.</p> <p>b) Explain and compute types of prudential ratios:</p> <ul style="list-style-type: none"> • Ratios on asset quality, solvency, liquidity. <p>v. Limitations of ratio analysis.</p> <p>vi. Credit evaluation using financial statements.</p>		
14. Applicable legal provisions on financial reporting of financial institutions	03%	<p>i. Explain provisions under the Banking Act.</p> <p>ii. Explain provisions under the Finance Business Act.</p> <p>iii. Explain the requirements of the Insurance Industry Act.</p> <p>iv. Identify the disclosures under the continuing listing requirements of the Colombo Stock Exchange.</p> <p>v. Identify the requirements of the Companies Act.</p> <p>vi. Explain the provisions under corporate governance requirements.</p> <p>vii. Explain the regulatory guidelines for financial reporting.</p>	Interactive lectures, tutorials and group discussions.	Case analysis and end semester examination.

15. SLFRS 9 – Financial instruments	03%	<ul style="list-style-type: none"> i. Explain the objectives of SLFRS 9. ii. Explain financial assets and financial liabilities. iii. Explain the classification of financial instruments. iv. Explain the measurement of financial instruments. v. Explain the impairment concepts and process of individual impairment and collective impairment. 	Interactive lectures, tutorials and group discussions.	End semester examination.
16. Basic concepts in costing	05%	<ul style="list-style-type: none"> i. Identify different terms in costing. ii. Calculate different types of costs. iii. Explain the difference between job costing, process costing and joint costing systems. iv. Describe budgeting. 	Interactive lectures, tutorials and group discussions.	Case analysis and end semester examination.
17. Methods of cost accounting	7%	<ul style="list-style-type: none"> i. Explain basic cost allocation methods. ii. Describe standard costing and variance analysis. iii. Identify the difference between standard costing, Activity-Based Costing and Cost-Volume-Profit Analysis. 	Interactive lectures, tutorials and group discussions.	Case analysis and end semester examination.
18. Auditing	7%	<ul style="list-style-type: none"> i. Explain the importance of Audit. ii. Explain the methods of Internal Controls. iii. Explain key aspects of Audits. iv. Explain the prevention of frauds and violation of internal controls. v. Describe the role of a manager in implementing and monitoring Internal Controls. 	Interactive lectures, tutorials and group discussions.	Case analysis and end semester examination.
	100%			

Recommended reading:

- Guru Jambheshwar, *Accounting for Managers*, Latest edition, University of Science and Technology.
- S.N. Maheshwari, Suneel K. Maheshwari & Sharad K, Maheshwari, *Financial Accounting*, 6th edition, Vikas Publishing.
- *Sri Lanka Accounting Standards*, Institute of Chartered Accountants of Sri Lanka (ICASL), 2023.
- IFRS 09 – Financial Instruments.

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-term examination 40%

Final Exam 60%

Total 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 04-credit course unit, the notional learning time for the course unit is 200 hours (04 * 50), consisting of:

Face-to-face contact time = 60 Hours

Directed Self-study through Moodle = 40 Hours

Self-directed learning expected = 40 hours

Assessment, review and revision = 60 Hours

Total = 200 Hours

Course Title	IT, Digital Banking and Settlements			
Course Code	DBF 11043			
Credit Value	03			
Status	Optional			
Level	I			
Semester	I			
Overall Learning Outcomes	At the end of the course unit students should be able to:			
<ol style="list-style-type: none"> 1. Describe how the banking operations were performed in last three decades. 2. Explain digital banking and its applications. 3. Acquire an awareness and understanding on the use of social media as a platform. 4. Describe FinTech and innovative technologies. 5. Explain the System Development Life Cycle. 6. Identify national payment system platform. 7. Identify applicable laws related to digital banking and national payment systems in Sri Lanka. 8. Explain the need for information security of the banking system. 				
Course contents:				
Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. Banking operations in the last three decades	10%	<ol style="list-style-type: none"> i. Describe how banking has been operated in the past three decades. ii. Explain the use of centralized systems, and back-office operations. iii. Explain the introduction of channels. iv. Explain core banking applications. 	Interactive lectures, tutorials and group discussions.	Mid-semester and end-semester exam.
2. Digital banking and its applications. Artificial Intelligence	10%	<ol style="list-style-type: none"> i. Explain Electronic Banking. ii. Describe switching to digital banking iii. Discuss case. iv. Explain Management Information System, Artificial Intelligence and its application to banking. 	Interactive lectures, tutorials and group discussions.	Case analysis, mid-semester and end-semester exam.

3. Use of social media as a platform in banking	5%	<ul style="list-style-type: none"> i. Explain social media. ii. Explain banking business on social media. iii. Discuss case. 	Interactive lectures, tutorials and group discussions.	Case analysis, mid-semester and end-semester exam.
4. Arrival of Fin Tech and innovative technologies	5%	<ul style="list-style-type: none"> i. Explain Fin Tech. ii. Describe innovative technologies and their usage. iii. Discuss case. 	Interactive lectures, tutorials and group discussions.	Case analysis, mid-semester and end-semester exam.
5. System Development Life Cycle (SDLC), ITIL (Information Technology Infrastructure Library)	10%	<ul style="list-style-type: none"> i. Explain SDLC. ii. Explain ITIL. iii. Discuss case. 	Interactive lectures, tutorials and group discussions.	Mid-semester and end-semester exam.
6. First mid-semester examination		1-5 topics.	Mid-semester exam.	Mid-semester exam.
7. Introduction to Sri Lanka national payment system platform; CAS, CEFT, CPOS	15%	<ul style="list-style-type: none"> i. Describe the conceptual framework relating to the national payment platform. ii. Explain the involvement of Lanka Clear, the appointed entity by the Central Bank of Sri Lanka. iii. Explain the role of the Central Bank of Sri Lanka. iv. Explain the inter-bank ATM transaction routing mechanism. v. Explain the involvement of International Card Scheme networks. vi. Explain the Common ATM Switch (CAS), Common Electronic Fund Transfer (CEFT) and Common Point of Sale (CPOS) architecture, benefits, CBSL involvement and directions, fees and charges, customer benefits. 	Interactive lectures, tutorials and group discussions.	End-semester exam.

8. Introduction to mobile based payments, bill presentment systems	10%	<ul style="list-style-type: none"> i. Explain the mobile payment platforms in Sri Lanka. ii. Explain how regulated mobile payment platforms allow direct access to customer's accounts. iii. Explain security, Central Bank guidelines on minimum security standards, and their application. iv. Explain the bill presentment and payment options. v. Explain the regulated online payment platform in Sri Lanka. 	Interactive lectures, tutorials and group discussions.	End-semester exam.
9. Clearing and settlement of funds between financial institutions	10%	<ul style="list-style-type: none"> i. Explain the clearing systems operated by the national payment infrastructure provider pertaining to all payment systems. ii. Explain the Central Bank RTGS – Real Time Gross Settlement System systems pertaining to settlement of funds. iii. Describe SWIFT Systems and its security controls. iv. Describe card operations – VISA. 	Interactive lectures, tutorials and group discussions.	End-semester exam.
10. Payment platforms – managing disputes	10%	<ul style="list-style-type: none"> i. Explain the types of disputes in payment systems. ii. Describe the dispute management process implemented in inter-bank payments systems including payment platforms. iii. Explain regulatory requirements in a dispute management system. 	Interactive lectures, tutorials and group discussions.	End-semester exam.
11. Information Security in Banking	10%	<ul style="list-style-type: none"> i. Explain the IS cyber security. ii. Explain network security. iii. Explain types of cyber-attacks, detection and prevention methods/tools. iv. Explain information security incident management and real-world experiences such as solar wind attack). v. Explain relevant policy, procedure and regulatory guides and acts). 	Interactive lectures, tutorials and group discussions.	Case analysis and end-semester exam.

12. Identify applicable laws related to digital banking and national payment systems in Sri Lanka	05%	<ul style="list-style-type: none"> i. Discuss applicable laws related to digital banking and national payment systems in Sri Lanka. ii. Explain guidelines on minimum compliance standards for payment-related mobile application. iii. Personal Data Protection Act iv. ISMS – ISO 27001 (Information Security Management System). v. BCMS – ISO27701 (Business Continuity Management Standard). 	Interactive lectures, tutorials and group discussions.	Case study, End-semester exam.
	100%			

Recommended reading:

- Thomas M. Siebel, *Digital Transformation: Survive and Thrive in an Era of Mass Extinction*, Rodin Books, 2019.
- Wewege L., and Thomsett M.C., *The Digital Banking Revolution: How financial technology companies are rapidly transforming the traditional retail banking industry through disruptive innovation*, 3rd edition, De Gruyter.
- Swai M., *Banking 2020: Transform yourself in the new era of financial services*, 1st edition, Intech Commerce.
- E-book: *Social Media Banking (Fintech Series)*, BBVA Innovation Center, Kindle Edition.
- Clyde Bank Technology, *ITIL for Beginners: The Complete Beginner's Guide to ITIL*, 2nd edition, Clyde Bank Media LLC.
- www.lankaclear.com
- www.cbsl.lk
- Payment and Settlement Systems Act No 28 of 2005.
- General Direction No.1 of 2018 Operations of the Common Electronic Fund Transfer Switch.
- General Direction No.2 of 2018 Operations of the Common Point-of-Sales Switch.
- Circular No, 7 of 2018 Liability Manager Limits in LankaPay Common ATM Switch and LankaPay Common Electronic Fund Transfer Switch.
- Payment and Settlement System Circular No. 1 of 2019 Providing Real Time Notifications for Transactions Effected Through Electronic Payment Instruments/Mechanisms.
- General Direction No.1 of 2020 Fees Chargeable on the Transactions Effected Through the Common ATM Switch.
- Guideline No. 01/2018 Guidelines on Minimum Compliance Standards for Payment Related Mobile Applications.
- Payment and Settlement System Circular No 8 of 2017 Maximum Limits on Transaction Value and Fees of Common Electronic Fund Transfer Switch.
- Any other circulars and directions published by the Payments and Settlements Department of the Central Bank of Sri Lanka.

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-semester exam = 40%

Final exam = 60%

Total = 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 03-credit course unit, the notional learning time for the course unit is 150 hours (03 * 50), consisting of:

Face-to-face contact time = 45 Hours

Directed Self-study through Moodle = 30 Hours

Self-directed learning expected = 35 hours

Assessment, review and revision = 40 Hours

Total = 150 Hours

Course Title	Economics for Banking			
Course Code	DBF 11053			
Credit Value	03			
Status	Optional			
Level	I			
Semester	I			
Overall Learning Outcomes	At the end of the course unit students should be able to:			
<ol style="list-style-type: none"> 1. Explain fundamental economic concepts and fundamental economic problems along with their foundations. 2. Explain the structure of a modern market economy. 3. Describe different approaches of economic analysis. 4. Identify different dimensions of the market economy. 5. Analyze the role of the market mechanism in the efficient allocation of resources. 6. Explain the role of the Government in a market economy. 7. Explain the concept of market failures and the reasons for market failures. 8. Explain the macroeconomic dimensions of economic analysis. 				
Course contents:				
Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. An overview of the fundamental economic concepts, fundamental economic problems and ways of finding solutions	08%	<ol style="list-style-type: none"> i. Explain fundamental economic concepts. ii. Describe the fundamental economic problems and the environment for the existence of such problems. iii. Identify alternative uses of resources and the need to make choices where an opportunity cost has to be born. iv. Identify the characteristics of a mixed economic system with due reference to the two extremes of pure market economy and pure administrative economy. 	Interactive lectures, tutorials and discussion forums.	Mid semester and end semester examination.
2. An introduction to modern market economy	10%	<ol style="list-style-type: none"> i. Identify different players in the economy and their characteristics. ii. Explain how different players are interconnected through the respective markets. 	Interactive lectures, tutorials and discussion forums.	Mid semester and end semester examination.

3. Different players in the market	10%	<ul style="list-style-type: none"> i. Identify the characteristics of consumer behavior and its relationship with the market. ii. Identify the characteristics of producer behavior and its relationship with the market. iii. Explain the nature of interactions between consumers and producers through the market. 	Interactive lectures, tutorials and discussion forums.	Mid semester and end semester examination.
4. Market mechanism in resource allocation	12%	<ul style="list-style-type: none"> i. Analyze the nature of the response of the market to changes in consumer and producer behavior. ii. Identify the factors related to the degree of response of market to changes in consumer and producer behavior. iii. Explain the reaction of consumers and producers to changes in market conditions. iv. Explain price as a signal for resource allocation. 	Interactive lectures, tutorials and discussion forums.	Mid semester and end semester examination.
5. Market failures and contributory factors	10%	<ul style="list-style-type: none"> i. Explain the concept of market failures. ii. Identify the factors that contribute to market failures. iii. Identify the measures to improve market performance. 	Interactive lectures, tutorials and discussion forums.	Case analysis, mid semester and end semester examination.
6. Role of the government in market economy	05%	<ul style="list-style-type: none"> i. Identify different ways that the government interferes with the market mechanism. ii. Analyze how the intervention of the government influences market conditions. iii. Explain market failure and government intervention. 	Interactive lectures, tutorials and discussion forums.	End semester examination.
7. Macroeconomic relationships and variables	10%	<ul style="list-style-type: none"> i. Explain the nature of circular flow of national income. ii. Identify different macroeconomic indicators and their characteristics. iii. Examine the interrelationships among major sectors in the economy and how they are reflected in key macroeconomic indicators. 	Interactive lectures, tutorials and discussion forums.	End semester examination.

8. Macroeconomic management	20%	i. Identify different macroeconomic objectives. ii. Explain the need to manage the economy to achieve macroeconomic objectives. iii. Explain different types of macroeconomic policies. iv. Explain the impact of macroeconomic policies on the overall economy with special reference to the Banking and Financial sector.	Interactive lectures, tutorials and discussion forums.	Case analysis, end semester examination.
9. Contemporary economic issues	10%	i. Explain domestic issues. ii. Explain international issues. iii. Explain interrelationships among domestic and international economic issues.	Interactive lectures and discussion forums.	Case analysis, end semester examination.
10. Sources of economic data	05%	i. Explain the sources of economic data: a) Central Bank of Sri Lanka. b) Department of Census and Statistics.	Interactive lectures and discussion forums.	End semester examination.
	100%			

Recommended reading:

- Fredric S Mishkin, *Economics on Money, Banking and Financial Markets*, 13th edition, Pearson.
- Blinder, A. S., *Central Banking in Theory and Practice*, Revised edition, The MIT Press.
- Sullivan, K., *Financial Independence and Accountability for Central Banks*, Central Banking Publications Limited.
- Singleton, J., *Central Banking in 20th Century*, Cambridge University Press.
- Press Releases on Monetary Policy, Central Bank of Sri Lanka, (CBSL).
- Anniversary Publications, Central Bank of Sri Lanka, (CBSL).

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-semester exam = 40%

Final Examination = 60%

Total = 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 03-credit course unit, the notional learning time for the course unit is 150 hours (03 * 50), consisting of:

Face-to-face contact time	= 45 Hours
Directed Self-study through Moodle	= 30 Hours
Self-directed learning expected	= 35 hours
Assessment, review and revision	= 40 Hours
Total	= 150 Hours

Course Title	Principles of Law			
Course Code	DBF I2064			
Credit Value	04			
Status	Core			
Level	I			
Semester	II			
Overall Learning Outcomes	At the end of the course unit students should be able to:			
<ol style="list-style-type: none"> 1. Identify the fundamentals and basics in legal principles and legal system. 2. Identify the legal system in Sri Lanka. 3. Identify current legal requirements applicable to Banking and Financial institutions. 4. Identify the legal principles underlying financial transactions. 5. Explain the legality of financial transactions. 6. Identify salient features of important laws frequently applied in the banking and finance area. 7. Apply the knowledge of the newly approved/passed acts by the government. 				
Course contents:				
Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. Sources of law and legal systems of Sri Lanka	10%	<ol style="list-style-type: none"> i. Identify different legal systems in the world. ii. Identify different categories of law. iii. Identify sources of Sri Lanka law and influences of other nations. i.e., Roman Dutch law, English Law and personal laws in Sri Lanka. iv. Discuss the practical applications in each and every law. v. Explain the practical applications in Buddhist law, Hindu Law, Mukkuwar Law in brief. 	Interactive lectures, group discussions, and tutorials.	Mid semester examination

2. The court system in Sri Lanka	10%	<p>i. Identify the court system in Sri Lanka.</p> <p>ii. Identify other statutes applicable to the establishment of different courts in Sri Lanka.</p> <p>i.e., Judicature Act High Court (Special Provisions) Act, Mediation Board Act and Arbitration Act.</p> <p>iii. Explain the civil and criminal jurisdictions in Sri Lanka.</p> <p>iv. Identify the scope of each court:</p> <p>i.e., Magistrate Court, District Court, High Court, Supreme Court Appellate Court.</p> <p>v. Identify quasi-judicial activities.</p> <p>i.e., Labour Tribunal, Quasi Courts.</p> <p>vi. Explain alternate dispute resolution mechanisms. i.e.</p> <ul style="list-style-type: none"> - Mediation Board - Arbitration - Conciliation - Adjudication process <p>vii. Debt Conciliation Boards.</p>	Interactive lectures, group discussions, and tutorials.	Mid semester examination
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3. Banker – customer relationship	20%	<ul style="list-style-type: none"> i. Define Banker-Customer relationship. ii. Explain primary and special relationships of banker and customer. iii. Explain banker’s duties and responsibilities. iv. Explain duty of confidentiality: <ul style="list-style-type: none"> a) Common law position. b) Statutory positions. c) Exceptions recognized by the law and courts. v. Explain legal positions of bank statements and banker’s opinions. vi. Explain customer’s duty towards bankers. vii. Identify special requirements in banker – customer relationships. <ul style="list-style-type: none"> a) Nominations of beneficiaries. b) Accounts opened and, maintained by Buddhist monks. viii. Describe the termination of Banker – Customer relationship. ix. Explain the consumer protection: <ul style="list-style-type: none"> a) Financial Ombudsman Scheme. b) Consumer Affairs Authority. x. Identify the salient points in the Customer Charter issued by the CBSL for licensed Banks. 	Interactive lectures, group discussions, and tutorials.	Mid-semester examinations.
4. Law of Contract	20%	<ul style="list-style-type: none"> i. Identify key components of a contract: <ul style="list-style-type: none"> a) Offer b) Acceptance c) Offer and invitation to offer d) Requirements to fulfill offer e) Offer and declaration of intention 	Interactive lectures, group discussions, and tutorials.	Case analysis and end semester examination.

		<p>f) Acceptance</p> <p>g) Rules of Acceptance</p> <p>h) Consideration:</p> <ul style="list-style-type: none"> • English Law Position • R D L Position <p>i) Capacity of contract:</p> <ul style="list-style-type: none"> • Minors • Persons with unsound mind • Married woman • Bankruptcy/insolvency • Contract by legal persons • Contract by unincorporated associations <p>ii) Identify factors that can challenge the validity of contract:</p> <p>(a) Mistakes</p> <p>(b) Misrepresentations</p> <p>(c) Undue influence/duress</p> <p>(d) Illegality</p> <p>iii) Identity conditions and warranties.</p> <p>iv) Explain discharge of contracts.</p> <p>(a) By performance</p> <p>(b) Mutual agreement</p> <p>(c) Frustration</p> <p>(d) Breach of control</p> <p>(e) Operation of law</p> <p>v) Explain the remedies for breach of contracts:</p> <p>(a) Damages</p> <p>(b) Specific performance</p> <p>vi) Explain special norms in the law of contract:</p> <p>(a) Privity of contracts</p> <p>(b) Principles of Estoppel</p>		
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5. Law of Property	20%	<ul style="list-style-type: none"> i. Explain the nature of property law operating in Sri Lanka. ii. Identify the classifications of property. iii. Differentiate between immovable, movable and tangible and intangible assets. iv. Identify key components of the ownership of property: <ul style="list-style-type: none"> a) Right to use and enjoy b) Right to possess c) Right to alienate v. Explain the legal requirement relating to immovable properties: <ul style="list-style-type: none"> a) Notarial execution – Prevention of Frauds Ordinance. b) Applicability of Registration of Documents Ordinance. c) Applicability of Registration of Title Act. d) Applicability of Apartment Ownership Law. e) Co-ownership f) Perspective title vi. Explain the legal requirements for movable properties: <ul style="list-style-type: none"> a) Applicability of the Secured Transactions Act. b) Applicability of Registration of Documents Ordinance. vii. Identify Securities in Bank Lending: <ul style="list-style-type: none"> a) Mortgage b) Pledge c) Pawning d) Assignment of Life Insurance 	Interactive lectures, group discussions, and tutorials.	End semester examination.
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		<p>e) Guarantees and Indemnities</p> <p>f) Securitization</p> <p>viii. Explain the applicability of Law of Inheritance and Succession over properties at the death of the owners.</p> <p>ix. Explain the legal restrictions to accept collaterals.</p>		
6. Commercial Law	10%	<p>i. Explain the banking business.</p> <p>ii. Explain the law relating to negotiable instruments.</p> <p>iii. Explain the various types of business entities:</p> <p>a) Sole proprietorships</p> <p>b) Partnerships</p> <p>c) Companies</p> <p>d) Concept of limited liability of a company</p>	Interactive lectures, group discussions, and tutorials.	End semester examination.
7. Anti-money Laundering Legal Framework	10%	<p>i. Explain the offense of Money Laundering.</p> <p>ii. Explain the global structure on prevention of Money Laundering.</p> <p>iii. Identify practices of Money Laundering.</p> <p>iv. Describe Sri Lanka's position on prevention of Money Laundering:</p> <ul style="list-style-type: none"> - Statutory requirements and case law. <p>v. Identify practical scenarios to explain how money laundering takes place in Sri Lanka having considered the unlawful activities defined in the prevention of Money Laundering Act and Financial Transaction Reporting Act.</p>	Interactive lectures, group discussions, and tutorials.	Case analysis and end semester examination.
	100%			

Recommended reading:

- L. J. M. Cooray, *An introduction to the Legal System of Sri Lanka*, 2017 publication, Stamford Lake Publisher.
- M. J. A. Cooray, *An outline of Laws and Legal System of Sri Lanka*, 1994.
- Sinhala Translation by K. S. Wijesekera 2002.
- Dr. Wickrama S. Weerasooria, *The Financial System, Banking and Cheque Law in Sri Lanka*, IBSL, 1998.
- Dr. Wickrama Weerasooria, *A Text Book of Commercial Law (Business Law)*, 2010 – PIM.
- Dr. Wickrama Weerasooria, *Banking and Cheque Law in Sri Lanka (Cases and Commentary)*, 2005, IBSL.
- Other Relevant Statutes passed by the Government (Acts).

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-term examination 40%

Final Exam 60%

Total 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 04-credit course unit, the notional learning time for the course unit is 200 hours (04 * 50), consisting of:

Face-to-face contact time = 60 Hours

Directed Self-study through Moodle = 40 Hours

Self-directed learning expected = 40 hours

Assessment, review and revision = 60 Hours

Total = 200 Hours

Course Title	Quantitative Techniques			
Course Code	DBF I2074			
Credit Value	04			
Status	Core			
Level	I			
Semester	II			
Overall Learning Outcomes	At the end of the course unit students should be able to:			
<ol style="list-style-type: none"> 1. Identify the importance of using mathematical and statistical tools and their applications in the business of banking and finance. 2. Apply concepts and techniques in business mathematics and their computations. 3. Use mathematical tools in operations related to banking and finance. 4. Use inferential statistical techniques to assess specific behavioral and business situations. 5. Apply statistical tools in operations related to banking and finance. 6. Use both mathematical and statistical indicators to assess the operations of banking and finance. 				
Course contents:				
Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
Introduction		Identify the areas in the business of banking and finance where mathematical and statistical tools are used for operational, assessment and decision-making purposes.	Interactive lectures, group discussions and tutorials.	Mid semester and end semester examination.
Part I – Basic Mathematics 1. Fundamental operations with numbers	10%	<ol style="list-style-type: none"> i. Recognize numbers: <ol style="list-style-type: none"> a) Real numbers b) Integers c) Natural and Rational numbers d) Prime numbers e) Indices f) Mathematical signs g) Algebraic expressions h) Logs 		

2. Mathematical operations	10%	<ul style="list-style-type: none"> i. Compute basic mathematical operations: <ul style="list-style-type: none"> a) Additions and Subtractions b) Multiplications and Divisions c) Brackets d) Equations e) Graphs f) Arithmetic progression g) Geometric progression 	Interactive lectures, group discussions and tutorials.	Mid semester and end semester examination.
3. Mathematics for Banking and Finance	20%	<ul style="list-style-type: none"> i. Compute mathematics for banking and finance: <ul style="list-style-type: none"> a) Simple interest b) Compound interest c) Present Value, Future Value and Discounting d) Annuity e) Capital Project Evaluation and Methods. 	Interactive lectures, group discussions and tutorials.	Mid semester and end semester examination.
Part II - Basic statistics and interpretations. 4. Introduction to data	5%	<ul style="list-style-type: none"> i. Identify data: <ul style="list-style-type: none"> a) Quantitative data b) Qualitative data c) Primary data d) Secondary data e) Sources of data 	Interactive lectures, group discussions and tutorials.	End semester examination.
5. Collecting data	10%	<ul style="list-style-type: none"> i. Explain sources of data and methods of collecting data: <ul style="list-style-type: none"> a) Sources: <ul style="list-style-type: none"> i. Primary sources ii. Secondary sources b) Methods: <ul style="list-style-type: none"> i. Direct observations ii. Sample surveys and techniques: <ul style="list-style-type: none"> c) Secondary sources of data on banking and finance 	Interactive lectures, group discussions and tutorials.	Case analysis, End semester examination.

6. Presentation of data	10%	i. Tabulate and presentation of data: a) Tables b) Graphs c) Diagrams d) Frequency distributions e) Histogram and Ogive	Interactive lectures, group discussions and tutorials.	Case analysis, End semester examination.
7. Statistical measurements	20%	i. Calculate statistical measurements: a) Measures of Central Tendency b) Quantiles, Deciles and Percentiles. c) Measures of dispersion ii. Correlation and Regression: a) Calculations b) Interpretations c) Estimations iii. Index numbers: a) Calculations b) Interpretations	Interactive lectures, group discussions and tutorials.	End semester examination
8. Use of statistics in banking and finance	15%		Interactive lectures, group discussions and tutorials.	Case analysis, End semester examination
	100%			

Recommended reading:

- Clendenen, G. & Salzman, S., *Business Mathematics*, 14th edition, Pearson.
- Don., E., and Lerner, J., *Basic Business Mathematics*, 2nd edition (Schaum's Outline Series), McGraw-Hill Education.
- Sydsaeter. K, Hammond P.J., Strom A., & CarvajalA., *Essential Mathematics for Economics Analysis*, 6th edition, Pearson.
- Levine, M.D., Krehbiel, T.E. and Berenson, M.L., *Business Statistics: A First Course*, 6th edition, Pearson.

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-term examination = 40%

Final exam = 60%

Total = 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 04-credit course unit, the notional learning time for the course unit is 200 hours (04 * 50), consisting of:

Face-to-face contact time = 60 Hours

Directed Self-study through Moodle = 40 Hours

Self-directed learning expected = 40 hours

Assessment, review and revision = 60 Hours

Total = 200 Hours

Course Title	Principles of Management			
Course Code	DBFI2084			
Credit Value	04			
Status	Core			
Level	I			
Semester	II			
Overall Learning Outcomes	At the end of the course unit students should be able to:			
<ol style="list-style-type: none"> 1. Compare and contrast management approaches and describe the evolution of management. 2. Apply knowledge and skills in identifying different managerial approaches to organizations and their practical applicability in the current business context. 3. Demonstrate a working knowledge of fundamental terminology and frameworks in the four functions of management: Planning, Organizing, Leading and Controlling. 4. Demonstrate knowledge on management functions and their practical applications. 5. Identify and apply appropriate management techniques for managing contemporary organizations. 				
Course contents:				
Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. Introduction to Management	06%	<ol style="list-style-type: none"> i. Define an organization; identify its characteristics and classifications/types of organizations. ii. Define the term 'management' and discuss the organizational environment. iii. Describe the management functions and management as a process. iv. Discuss managerial skills and how they contribute to performance. v. Discuss managerial roles and how they influence managerial performance. 	Interactive lectures and group discussions.	Mid-semester and end semester examination.

2. The Evolution of Management Thought	08%	<ul style="list-style-type: none"> i. Describe the importance of history and theory of management. ii. Discuss the evolution of management from scientific era to modern. iii. Evaluate and discuss the relevance of different perspectives of management theories. iv. Identify and describe contemporary management practices. 	Interactive lectures and group discussions.	Mid-semester and end semester examination.
3. Planning	08%	<ul style="list-style-type: none"> i. Describe the term "Planning" and explain the relationship with other functions of management. ii. Explain its importance in managing organizations. iii. Explain vision, mission, goals, objectives and strategies. iv. Explain the basic sequential steps involved in the planning process and the types of plans in an organization. v. Describe benefits and barriers of planning. 	Interactive lectures and group discussions.	Mid-semester and end semester examination.
4. Management Decision Making	08%	<ul style="list-style-type: none"> i. Summarize the steps in making "rational" decision making process. ii. Identify advantages and disadvantages of group decision making. iii. Explain methods to encourage creative decisions. 	Interactive lectures and group discussions.	Case analysis, mid-semester and end semester examination.
5. Organizational Design and Structure	08%	<ul style="list-style-type: none"> i. Explain how differentiation and integration influence an organization's structure. ii. identify ways organizations can be structured and pros and cons of each type. iii. Explain importance of and types of integrative mechanisms. 	Interactive lectures and group discussions.	Mid-semester and end semester examination.
6. Power and distribution of authority	06%	<ul style="list-style-type: none"> i. Define and differentiate between power and authority. ii. Identify and describe the three types of authority. 	Interactive lectures and group discussions.	Mid-semester and end semester examination.

7. The process of staffing/ human resource management	08%	<ul style="list-style-type: none"> i. Discuss how companies use human resources management to gain competitive advantage. ii. Identify various methods for selecting new employees. iii. Identify different methods for employee appraisal and reward systems. 	Interactive lectures and group discussions.	Case analysis, and end semester examination.
8. Managing organizational change	08%	<ul style="list-style-type: none"> i. Describe how to manage and lead change effectively. ii. Define methods to overcome resistance to change. iii. List tactics for proactive change. iv. Discuss and compare various types of change models. 	Interactive lectures and group discussions.	Case analysis, and end semester examination.
9. Motivation	08%	<ul style="list-style-type: none"> i. Define motivation. ii. Explain the motivation process. iii. Describe theories in motivation and their implications. 	Interactive lectures and group discussions.	End semester examination.
10. Motivation	08%	<ul style="list-style-type: none"> i. Discuss how teams can contribute to an organization's effectiveness. ii. Explain the stages of group development. iii. Distinguish the new team environment from that of traditional work groups. 	Interactive lectures and group discussions.	End semester examination.
11. Communication	08%	<ul style="list-style-type: none"> i. Define the communication process and understand the importance of communication to an organization. ii. Describe the communication process. iii. Identify communication types and forms. iv. Identify the barriers to effective communication and how to overcome them. 	Interactive lectures and group discussions.	End semester examination.

12. Leadership	08%	i. Describe leading as a function of management. ii. Define the terms related to leadership. iii. Distinguish the leader and Manager. iv. Describe the Trait and Behavioural approaches to leadership. v. Explain different styles of leadership and theories.	Interactive lectures and group discussions.	Case analysis and endsemester examination.
12. Controlling	08%	i. Explain why companies develop control systems for employees. ii. Explain different types of controlling mechanisms followed by organizations. iii. Identify procedures for implementing effective control systems.	Interactive lectures and group discussions.	End-semester examination.
	100%			

Recommended reading:

- Stoner, J., Freeman, R.E., Gilbert, D.R., *Management*, 6th edition, Pearson.
- Robins, S, P., Cenzo, D.A.D., Coulter, M., *Fundamentals of Management*, 11th edition, Pearson.
- Harvard Business Review

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-term examination = 40%

Final exam = 60%

Total = 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 04-credit course unit, the notional learning time for the course unit is 200 hours (04 * 50), consisting of:

Face-to-face contact time = 60 Hours

Directed Self-study through Moodle = 40 Hours

Self-directed learning expected = 40 hours

Assessment, review and revision = 60 Hours

Total = 200 Hours

Course Title	Ethics and Client Management			
Course Code	DBF I2093			
Credit Value	03			
Status	Optional			
Level	I			
Semester	II			
Overall Learning Outcomes	At the end of the course unit students should be able to:			
<ol style="list-style-type: none"> 1. Identify different types of financial customers, their importance, relationships and risk towards various types of financial products and services. 2. Explain managing of clients' trust and confidence through various customer protection initiatives. 3. Explain the nature of ethics and its application to society, business and the banking profession. 4. Explain the need and requirements for banking students and members in adopting the highest standards and regulating of ethical behaviour. 5. Identify ethical dilemmas and how they may be resolved. 				
Course contents:				
Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. Introduction to client management and their relationships	10%	<ol style="list-style-type: none"> i. Define a customer of a financial organization; identify different types of financial customers; depositors, borrowers, investors and payment service customers, any other service obtaining customers and their importance to the organization and to the economy. ii. Define the various types of financial customers based on their risk appetite; risk averse, risk neutral and risk lover. iii. Define the various types of financial products and services, their benefits and risks to both clients and the financial organization. 	Interactive lectures and discussion forums.	Mid semester and end semester examination.

2. Managing clients trust and confidence	15%	<ul style="list-style-type: none"> i. Describe the importance of trust and confidence in client management. ii. Discuss the various initiatives taken by respective financial institutions to build up customer confidence and trust. iii. Identify and describe various customer protection frameworks introduced by different regulators: Customer Charter, Financial Ombudsman, Deposit Insurance and Liquidity Support Scheme, Credit Counselling Centre and Credit Information Bureau (CRIB). 	Interactive lectures, tutorials and discussion forums.	Case analysis, mid semester and end semester examination
3. Nature of ethics and its applications	15%	<ul style="list-style-type: none"> i. Describe the term "Ethics" and "Business ethics". ii. Explain its importance in managing financial organizations. iii. Explain benefits to an organization that practices ethics. iv. Explain typical issues in business ethics. 	Interactive lectures and discussion forums.	Case analysis, mid semester and end semester examination.
4. Fundamental ethical principles and personal qualities	15%	<ul style="list-style-type: none"> i. Explain the fundamental ethical principles which form the very foundations of reasoning and professional practice, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. ii. Identify the need for members of the profession to develop certain qualities. e.g., reliability, responsibility, timeliness, courtesy and respect. 	Interactive lectures and discussion forums.	Mid semester and end semester examination.
5. Approaches to ethics and concepts	15%	<ul style="list-style-type: none"> i. Explain the two approaches to formulating a code of ethics; a rule-based and a framework approach. ii. Explain the concepts of independence, skepticism, accountability and social responsibility. 	Interactive lectures and discussion forums.	End semester examination.

6. Ethical dilemmas and conflict of interest	15%	i. Define ethical dilemmas and conflict of interest. ii. Identify and resolution of both dilemmas and conflict of interest. iii. Explain what is financial misselling	Interactive lectures and discussion forums.	Case analysis and end semester examination.
7. CVs, cover letters, personal statements and job descriptions	15%	i. Define ethical threats and safeguards. ii. Identify different types of ethical threats. iii. Discuss how ethical threats and safeguards approach to resolving ethical issues including whistle blowing, grievances, regulations and laws.	Interactive lectures and discussion forums.	Case analysis and end semester examination.
	100%			

Recommended reading:

- Villa, J., *Ethics in Banking: The Role of Moral Values and Judgements in Finance*, 1st edition, Palgrave Macmillan.
- Stoner, J., Freeman, R.E., Gilbert, D.R., *Management*, (Latest edition), Pearson Education, Delhi.
- Related case studies Harvard Business Review.
- *Code of Ethics for Professional Accountants*, Institute of Chartered Accountants of Sri Lanka (latest amendments).

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-semester examination = 40 %

Final exam = 60%

Total = 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 03-credit course unit, the notional learning time for the course unit is 150 hours (03 * 50), consisting of:

Face-to-face contact time = 45 Hours

Directed Self-study through Moodle = 30 Hours

Self-directed learning expected = 35 hours

Assessment, review and revision = 40 Hours

Total = 150 Hours

Course Title	Principles of Marketing
Course Code	DBF I2103
Credit Value	03
Status	Optional
Level	I
Semester	II
Overall Learning Outcomes	At the end of the course unit students should be able to:

1. Describe marketing and marketing process.
2. Explain the elements of marketing mix.
3. Explain the market place and customer value.
4. Discuss the environmental factors and information needed for marketing decisions.
5. Describe the behavioural aspects of customers and customer decision process.
6. Explain market segmentation, targeting and positioning.
7. Describe marketing strategy and marketing mix driven by customer value.

Course contents:

Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. Marketing and marketing process a) Marketing	05%	i. Define marketing. ii. Explain the market and customer. iii. Explain marketing strategy. iv. Explain customer relationships v. Explain changing environment.	Interactive lectures and discussion forums	Mid semester and end semester examination.
b) Organization and marketing strategy	15%	i. Explain strategic planning. ii. Explain marketing strategy. iii. Explain marketing mix. iv. Explain managing marketing effort. v. Explain measuring returns.	Interactive lectures and discussion forums	Case analysis, mid semester and end semester examination.
3. Market place and customer value a) Analyzing the marketing	10%	i. Define and explain micro and macro environment. ii. Define and explain demographic and economic environment. iii. Define and explain natural and technological environment. iv. Define and explain political, social and cultural environment.	Interactive lectures and discussion forums.	Mid semester and end semester examination.

b) Managing marketing information	10%	<ul style="list-style-type: none"> i. Identify Marketing information and customer insights. ii. Assess and develop information and data. iii. Explain marketing research. iv. Analyze information and data. v. Use the findings. 	Interactive lectures and discussion forums	Mid semester and end semester examination.
c) Consumer markets and buyer behavior	10%	<ul style="list-style-type: none"> i. Explain the model of customer behavior. ii. Identify characteristics affecting customer behavior. iii. Explain buyer decision behavior. iv. Explain buyer decision process. 	Interactive lectures and discussion forums	Case analysis and end semester examination.
d) Business markets and business buyer behavior	10%	<ul style="list-style-type: none"> i. Explain business markets ii. Describe business buyer behavior. iii. Describe business buyer decision process. iv. Explain digital and social marketing. v. Explain Institutional and government markets. 	Interactive lectures and discussion forums	Case analysis and end semester examination.
7. Designing a marketing strategy and marketing mix driven by customer value	10%	<ul style="list-style-type: none"> i. Explain market segmentation. ii. Explain market targeting. iii. Explain differentiation and positioning. 	Interactive lectures and discussion forums	Case analysis and end semester examination.
a) Creating value for target customers				
b) Building customer value	10%	<ul style="list-style-type: none"> i. Explain what is a product? ii. Explain product and service decisions. iii. Explain service marketing. iv. Explain branding strategy. 	Interactive lectures and discussion forums	End semester examination.

c) Developing products and managing the Product Life Cycle	10%	i. Discuss new product developing strategy. ii. Explain new product developing process. iii. Explain Product Life Cycle Strategies. iv. Explain additional product and service considerations.	Interactive lectures and discussion forums.	End semester examination.
d) Understanding and capturing customer value	10%	i. Define price. ii. Explain major pricing strategies. iii. Discuss other internal and external considerations.	Interactive lectures and discussion forums.	End semester examination.
	100%			

Recommended reading:

- Baines P., Fill C. and Page K., *Essentials of Marketing*. (Illustrated Edition), Oxford University Press.
- Kotler P., Keller K.L., Koshy A. and Jha M., *Marketing Management: A South Asian Perspective*, 13th edition, Pearson Education
- Kotler P., Armstrong G., and Balasubramanian S., *Principles of Marketing*, 19th edition, Pearson
- Charles W. Lamb., Joe F. Hair, & Carl McDaniel., *MKTG*, 13th edition, Cengage Learning.

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-semester exam = 40%

Final exam = 60%

Total = 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 03-credit course unit, the notional learning time for the course unit is 150 hours (03 * 50), consisting of:

Face-to-face contact time = 45 Hours

Directed Self-study through Moodle = 30 Hours

Self-directed learning expected = 35 hours

Assessment, review and revision = 40 Hours

Total = 150 Hours

Course Title	Business Communication			
Course Code	DBF 12110			
Credit Value	N/A			
Status	Compulsory			
Level	I			
Semester	II			
Overall Learning Outcomes	At the end of the course unit students should be able to:			
<ol style="list-style-type: none"> 1. Demonstrate the ability to initiate conversations: greeting, introduction, small talk, farewell. 2. Describe and demonstrate important features of different types of communication. 3. Conduct effective presentations and report writing. 4. Demonstrate and conduct business correspondence effectively through different communication channels. 5. Use markers of politeness as appropriately. 6. Prepare reading materials from students' areas of study, newspapers and magazines. 7. Disseminate information to different stakeholders effectively. 8. Develop CVs, cover letters, personal statements and job descriptions. 9. Conduct / face an interview effectively. 10. Describe and demonstrate important features of an effective negotiation session. 				
Course contents:				
Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. Dialogues, short speeches and other forms of oral communication	08%	<ol style="list-style-type: none"> i. Demonstrate the ability to initiate conversations: greeting, introduction, small talk, farewell. ii. Provide responses to queries from various stakeholders (customers, regulatory authorities, etc.). iii. Articulate ideas and views effectively. iv. Listen to ideas of others in a balanced point of view. 	Interactive lectures and group discussions.	Mid semester and end-semester exam.
2. Different types of communication	08%	<ol style="list-style-type: none"> i. Describe and demonstrate the important features of: <ol style="list-style-type: none"> a) Bottom-up /Top-down communication b) Vertical communication c) Peer group communication 	Interactive lectures and group discussions.	Mid semester and end-semester exam.

3. Effective presentations and report writing	20%	<ul style="list-style-type: none"> i. Prepare business reports and proposals: structure of reports and proposals, visual presentation of information using tables, figures, exhibits, etc. ii. Prepare board papers. iii. Demonstrate effective stage presentations. iv. Address different forums. v. Respond to queries from various stakeholders. 	Interactive lectures, guest lectures, workshops.	Mid semester and end-semester exam.
4. Business correspondence through different communication channels	15%	<ul style="list-style-type: none"> i. Correspond via letters, memos, e-mails, circulars and other forms of formal business correspondence. ii. Correspond through telephone: making and receiving calls, handling different types of calls, etiquettes and politeness. iii. Correspond through modern communication methods/ technology. 	Interactive lectures and group discussions.	End-semester exam.
5. Reading materials from students' areas of study, newspapers and magazines	20%	<ul style="list-style-type: none"> i. Prepare student notes. ii. Use the vocabulary related to the world of business. iii. Discuss subject related materials in English. iv. Write summaries of written materials. v. Write reports based on small-scale research. vi. Identify common grammatical errors and errors in pronunciation. 	Interactive lectures and group discussions.	End-semester exam.
6. Dissemination of information to stakeholders	05%	<ul style="list-style-type: none"> i. Provide relevant information to customers, regulatory authorities and general public effectively. ii. Provide information based on the 'Right to Information Act' and Data Protection Act. 	Interactive lectures, guest lectures, discussion forum.	End-semester exam.
7. CVs, cover letters, personal statements and job descriptions	08%	<ul style="list-style-type: none"> i. Develop effective CVs and cover letters. ii. Prepare effective job descriptions. iii. Prepare personal profiles/ statements using modern platforms. 	Interactive lectures, guest lectures, discussion forum.	End-semester exam.

8. Facing/ conducting an interview and meetings	10%	i. Describe and demonstrate important features of an effective interview: a) What to talk b) When to talk c) Body language d) Eye contact e) Etiquettes, politeness and manners. ii. Conducting official meetings and preparation of minutes.	Interactive lectures, guest lectures, discussion forum.	End semester examination.
9. Negotiation skills	06%	i. Describe and demonstrate important features of an effective negotiation session: a) Use effective body language. b) Build up logical arguments. c) Summarize facts. d) Ability to compromise meaningfully.	Interactive lectures and group discussions.	End-semester exam.
	100%			

Recommended reading:

- Alexander, R. & Jones, L., *New International Business English*, 2003, Cambridge University Press, Cambridge.
- Folse, K. S. Maahnke, M. K., Solomon, E. V., Williams, L., *Blueprints I: Composition Skills for Academic Writing*, 2003, Houghton Mifflin.
- Mascull, B., *Business Vocabulary in Use*, 2002, 3rd Edition Cambridge University Press.
- Murphy, R., *Essential English Grammar*, 2007, Cambridge University Press

Assessments:

Students are required to do assignments, mid-semester exams and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-semester exam / Assignment = 40 %

Final exam = 60%

Total = 100%

Students are required to obtain a minimum of 50% from the mid semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 03-credit course unit, the notional learning time for the course unit is 150 hours (03 * 50), consisting of:

Face-to-face contact time = 45 Hours

Directed Self-study through Moodle = 30 Hours

Self-directed learning expected = 35 hours

Assessment, review and revision = 40 Hours

Total = 150 Hours

HDBF

Higher Diploma in Banking and Finance

1. DETAILED STRUCTURE OF THE SYLLABUS: HIGHER DIPLOMA IN BANKING AND FINANCE (HDBF)

Table 09 below outlines the subjects of the Higher Diploma in Banking and Finance with the relevant codes and the status.

Table 09: Subjects in Higher Diploma in Banking and Finance (HDBF)

	Course Title	Course Code	Status	Credits
Semester – I	Central Banking and Monetary Policy	HDBF 21124	Compulsory	04
	Law Relating to Banking and Practice of Banking	HDBF 21134		04
	Credit Management	HDBF 21144		04
	International Trade and Finance	HDBF 21153	*Optional	03
	Corporate Governance and Ethics	HDBF 21163		03
Semester – II	Compliance and Regulations	HDBF 22174	Compulsory	04
	Risk Management and IS Security	HDBF 22184		04
	Strategic Leadership	HDBF 22194		04
	Advanced Quantitative Techniques	HDBF 22203	*Optional	03
	Financial Management and Treasury Operations	HDBF 22213		03
Total Credits				30

*Students are required to select any one (01) subject out of the two (02) optional subjects offered in each semester.

Course Title	Central Banking and Monetary Policy
Course Code	HDBF 21124
Credit Value	04
Status	Core
Level	II
Semester	I
Overall Learning Outcomes	At the end of the course unit students should be able to:

1. Explain the money and monetary system.
2. Distinguish between money and capital markets and their products.
3. Explain the importance of monetary management and the mechanism of implementing monetary policy.
4. Define interest rates and explain the mechanism of interest rate determination.
5. Explain the international dimensions of financial operations and the determination of exchange rates.
6. Explain the impact of fiscal operations on the monetary sector and monetary management.
7. Explain the interrelationships among the real sector, fiscal sector, financial sector, the and external sector.
8. Describe the recent trends in monetary management and contributory factors.

Course contents:

Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. Introduction to money and, monetary & financial systems	05%	<ol style="list-style-type: none"> i. Explain the characteristics of money. ii. Identify key components of a monetary system. iii. Explain evolving trends in the monetary system. 	Interactive lectures and discussion forums.	Mid semester and end semester examination.
2. Brief overview of money market and capital market	05%	<ol style="list-style-type: none"> i. Distinguish between the money market and the capital market. ii. Identify the characteristics of money market instruments and capital market instruments. iii. Identify different sub-markets under money market and capital markets. iv. Explain the interrelationships between money and capital markets. 	Interactive lectures and discussion forums.	Mid semester and end semester examination.

3. Monetary management and monetary policy	25%	<ul style="list-style-type: none"> i. Identify the importance of monetary management. ii. Explain the role of the Central Bank in monetary management. iii. Define the monetary policy and its objectives. iv. Identify the distinctive characteristics of different types of conducting monetary policy. v. Identify the monetary policy instruments and their usage. vi. Explain the monetary policy transmission mechanism. vii. Discuss the limitations of achieving the objectives of monetary management. viii. Discuss recent trends in domestic and international monetary management. 	Interactive lectures and discussion forums.	Case analysis, mid semester and end semester examination.
4. Interest rates	15%	<ul style="list-style-type: none"> i. Define interest rate. ii. Explain different dimensions of interest rates. iii. Explain the determination of interest rates. iv. Distinguish between different theories of interest rates. v. Identify the characteristics of the term structure of interest rates and related theories. vi. Explain the link between the policy interest rates and market interest rates. 	Interactive lectures and discussion forums.	Mid semester and end semester examination
5. International dimensions of monetary management	15%	<ul style="list-style-type: none"> i. Explain the nature of financial flows across national borders. ii. Explain the impact of international financial flows on the domestic financial markets and their operations. iii. Explain the link between international interest rates and domestic policy and market interest rates. iv. Discuss recent trends in the international market interest rates and domestic market interest rates. 	Interactive lectures and discussion forums.	Case analysis and end semester examination.

6. Fiscal dimensions of monetary management	15%	<p>i. Explain the nature of government fiscal operations in brief.</p> <p>ii. Identify the impact of fiscal operations on the financial markets.</p> <p>iii. Discuss the challenges on monetary management amidst the impact of fiscal operations.</p>	Interactive lectures and discussion forums.	Case analysis and end semester examination.
7. Interdependence among the real sector, financial sector, fiscal sector and external sector in the context of monetary management	15%	<p>i. Identify key macroeconomic indicators representing different sectors of the economy.</p> <p>ii. Identify the interdependence among the key macroeconomic indicators.</p> <p>iii. Examine the challenges of selecting the proper monetary policy approach considering all macroeconomic developments.</p>	Interactive lectures and discussion forums.	Case analysis and end semester examination.
8. Central Bank independence	10%	<p>iii. Explain the concept of Central Bank independence and its importance in the context of macroeconomic management.</p> <p>iv. Identify different views on the degree of Central Bank independence.</p> <p>v. Examine the experience of different countries with respect to Central Bank independence and the nature of supportive environment.</p>	Interactive lectures and discussion forums.	End semester examination.
	100%			

Recommended reading:

- Mishking, F.S., *The Economics of Money, Banking, and Financial Markets*, 13th Edition, Pearson.
- Blinder, A. S., *Central Banking in Theory and Practice*, Revised edition, The MIT Press.
- Sullivan, K., *Financial Independence and Accountability for Central Banks*, Central Banking Publications Limited, 2016.
- Singleton, J., New edition, *Central Banking in the 20th Century*, Cambridge University Press.
- Press Releases on Monetary Policy, Central Bank of Sri Lanka, (CBSL).
- Anniversary Publications, Central Bank of Sri Lanka, (CBSL).

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-semester exam = 40%

Final exam = 60%

Total = 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 04-credit course unit, the notional learning time for the course unit is 200 hours (04*50) consisting of:

Face-to-face contact time: = 60 hours

Directed self-study = 40 hours

Self-directed learning experience = 40 hours

Assessment, review and revision = 60 hours

Total = 200 Hours

Course Title	Law Relating to Banking and Practice of Banking
Course Code	HDBF 21134
Credit Value	04
Status	Core
Level	II
Semester	I
Overall Learning Outcomes	At the end of the course unit students should be able to:

Acquire knowledge of law relating to banking and the ability to map the legal principles with the practical issues in day-to-day banking operations.

- 1) Explain the law relating to negotiable instruments.
- 2) Explain the salient points of Law of Agency.
- 3) Describe the legal aspects of securities / collaterals in bank lending.
- 4) Describe the legal aspects of debt / money recovery.
- 5) Explain the law relating to electronic transactions.
- 6) Explain the salient features of the Company Law in Sri Lanka
- 7) Describe law relating to prevention of money laundering and terrorist financing.
- 8) Explain Law of Succession.

Course contents:

Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		

<p>I. Law relating to negotiable instruments</p>	<p>20%</p>	<ol style="list-style-type: none"> i. Identify the legal nature of negotiable instruments. ii. Identify the legal nature of Bills of Exchange Ordinance No. 25 of 1927. iii. Identify the law relating to cheques. iv. Identify parties involved including the practical aspects of negotiable instruments: <ul style="list-style-type: none"> • Drawer • Drawee • Payee • Accommodation Party • Endorser v. Identify negotiability and transferability. vi. Explain the differences between Bills of Exchange and cheque / dual aspect of a cheque. vii. Explain the endorsement of a Bill of Exchange. viii. Explain the rules relating to crossings on cheques. ix. Explain different types of folders of Bills of Exchange. x. Explain the banker's duty on crossed cheques. <ul style="list-style-type: none"> • Paying banker • Collecting banker • Statutory provisions and case law relating to cheques. xi. Identify the criminal aspect of cheque returns and countermanding of cheques under the Debit Recovering Act No. 2 1990 (As amended). xii. Recognize the cheque imaging and truncation system in Sri Lanka and the settlement system. xiii. Explain the provisions relating to cheque imaging and truncation in the Payment and Settlement System Act. 	<p>Interactive lectures and discussion forums.</p>	<p>Mid semester and end semester examination.</p>
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2. Law of Agency	10%	<ul style="list-style-type: none"> i. Explain Agency as a concept different from other relationships. ii. Explain the law relating to agency applicable in Sri Lanka. iii. Identify the methods of creating an Agency. iv. Explain the duties of Agents towards the Principal. v. Explain the rights of Agents against the Principal. vi. Explain circumstances where Agent can be held personally liable. 	Interactive lectures and discussion forums.	Case analysis, mid semester and end semester examination.
3. Securities/ collaterals in bank lending	10%	<ul style="list-style-type: none"> i. Identify types of securities. ii. Explain the legal aspects in acceptance of collaterals. iii. Identify the legal instruments relating to the acceptance of collaterals. iv. Explain the documentary requirement imposed by law. v. Explain limits imposed by regulatory institutions on certain lending transactions. 	Interactive lectures and discussion forums.	Mid semester and end semester examination.

4. Debt/money recovery	15%	<ul style="list-style-type: none"> i. Explain the devolution of money lending. ii. Identify the salient features of Money Lending Ordinance. iii Explain the general actions against money/debt recovery. iv Explain the law relating to mortgages. v Identify the legal nature of debt recovery laws: <ul style="list-style-type: none"> a) Debt Recovery (Special Provisions) Act No. 2 of 1990 (As amended). b) Recovery of loans by banks. (Special provisions) Act No 4 1990 (As amended) (Practical aspects). vi Identify the legal nature of recovery laws introduced by other statutes: <ul style="list-style-type: none"> a) Civil Procedure Code. b) Trust Receipt Ordinance. c) Consumer Credit Act. d) Finance Leasing Act. 	Interactive lectures and discussion forums.	End semester examination.
5. Law relating to electronic transactions	08%	<ul style="list-style-type: none"> i. Explain the international legal position. ii. Identify the legal nature of Electronic Transaction Act No. 19 of 2006 and key amendments in 2017. iii. Explain the exceptions of applicability of the Act. iv. Identify the legal nature of the provisions of the Payment Devices Frauds Act. v. Discuss the issues relating to electronic transactions. 	Interactive lectures and discussion forums.	Case analysis and end semester examination.

6. Company Law in Sri Lanka	12%	<ul style="list-style-type: none"> i. Identify the legal nature of Company Law in Sri Lanka. ii. Explain the differences between a partnership and a company. iii. Identify the legal nature of Companies Act No 7 of 2007. iv. Identify the resolution measures of companies. v. Identify the corporate governance principles relating to licensed banks issued by CBSL and SEC. 	Interactive lectures and discussion forums.	End semester examination.
7. Law relating to prevention of money laundering and terrorist financing (Practical aspects)	08%	<ul style="list-style-type: none"> i. Identify the legal framework on Anti Money Laundering relevant acts. ii. Identify the authority of FIU to impose penalties to ensure compliance. iii. Explain the functions of supervisory authority and auditors. iv. Identify offenses. v. Identify the key regulations issued by FIU within the Anti-money laundering framework in Sri Lanka. 	Interactive lectures and discussion forums.	Case analysis and end semester examination.
8. Law of Succession (Practical aspects)	07%	<ul style="list-style-type: none"> i. Explain the law relating to Inheritance and Succession. ii. Explain the law relating to Last wills and Testamentary Proceedings. iii. Recognize the nomination of beneficiaries to a bank account. iv. Recognize trust accounts/ custodian services performed by licensed banks. 	Interactive lectures and discussion forums.	End semester examination.
9. Pawning Ordinance	05%	<ul style="list-style-type: none"> i. Discuss the salient points in the Pawning Ordinance. 	Interactive lectures and discussion forums.	End semester examination.
10. Leasing Ordinance	05%	<ul style="list-style-type: none"> i. Discuss the salient points in the Leasing Ordinance. 	Interactive lectures and discussion forums.	End semester examination.
	100%			

Recommended reading:

- Indian Institute of Banking & Finance, *Accounting and Finance for Bankers*, 4th edition, Macmillan Education.
- Indian Institute of Banking & Finance, *Bankers' Handbook on Accounting*, June 2018 edition Taxmann Publications Pvt. Ltd.
- *Sri Lanka Accounting Standards* (Latest edition), Institute of Chartered Accountants of Sri Lanka (CASL).

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-semester exam	= 40%
Final exam	= 60%
Total	= 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 04-credit course unit, the notional learning time for the course unit is 200 hours (04*50) consisting of:

Face-to-face contact time:	= 60 hours
Directed self-study	= 40 hours
Self-directed learning experience	= 40 hours
Assessment, review and revision	= 60 hours
Total	= 200 Hours

Course Title	Credit Management
Course Code	HDBF 21144
Credit Value	04
Status	Core
Level	II
Semester	I
Overall Learning Outcomes	At the end of the course unit students should be able to:

Course Aim: Banks raise funds from surplus units and lend to the deficit units to support the real sector for productivity. To do this effectively, bank employees must acquire adequate knowledge of lending and credit administration as well as proper analysis of the same.

This programme is therefore designed to provide participants with analytical skills that will enable them to appraise sound lending propositions for management consideration and approval in order to enhance the bank's bottom line.

Intended Learning Outcomes:

At the end of this course unit, students should be able to;

1. Identify bank lending criteria and the decision-making process.
2. Develop skills in the presentation, analysis and interpretation of financial statements for lending decisions.
3. Apply knowledge of credit portfolio management and reporting as well as problem loan resolution.
4. Apply knowledge of sound credit administration principles and procedures.
5. Identify the peculiar challenges (human and environmental) of lending in Sri Lanka and how to overcome them.
6. Identify appropriate financing options for credit customers.
7. Identify and implement various strategies necessary for detecting and recovering bad debts.

Course contents:

Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. Overview of lending activity	08%	<ol style="list-style-type: none"> i. Identify the primary and secondary functions of a bank. ii. Explain directed lending and normal lending. iii. Explain corporate and retail banking. iv. Identify requirements for effective lending. 	Interactive lectures and discussion forums.	Mid semester and end semester examination.

2. Principles and objectives of credit management	10%	<ul style="list-style-type: none"> i. Identify the objectives of credit management. ii. Explain the qualities of a good borrower. iii. Explain the role of Credit Information Bureau. iv. Explain the cardinal principles of bank lending. v. Explain the stages in a "Credit Cycle". vi. Explain the client/customer acceptance criteria. vii. Explain the credit disbursement process. viii. Explain the checklist for branch managers. 	Interactive lectures and discussion forums.	Mid semester and end semester examination.
3. Credit policy in banks	12%	<ul style="list-style-type: none"> i. Explain the meaning of credit policy of a bank. ii. Discuss three types of credit culture. iii. Identify the objectives of a sound credit policy. iv. Identify the regulatory requirements under credit policy. v. Explain the credit policy as a risk management tool. vi. Explain the Central Bank directions and requirements of accounting standards on credit risk (NPL classification and credit impairment). 	Interactive lectures and discussion forums.	Mid semester and end semester examination.
4. Types of borrowers	10%	<ul style="list-style-type: none"> i. Recognize various types of borrowers. ii. Identify special features of each type of borrower. iii. Identify salient points to be noted while dealing with Minors. iv. Explain the limited liability company as a borrower. v. Use of environmental analysis (SWOT Analysis). 	Interactive lectures and discussion forums.	Mid semester and end semester examination.

5. Analysis of financial statements	12%	<ul style="list-style-type: none"> i. Explain the meaning of financial statements. ii. Explain the Directors' responsibility statement. iii. Identify users' information needs. iv. Explain the qualitative characteristics of financial statements. v. Explain the quantitative tools of financial statement analysis. vi. Prepare comparative financial statement analysis. vii. Prepare common size financial statement analysis. viii. Prepare ratio analysis. ix. Prepare funds flow analysis. x. Prepare cash flow analysis. xi. Discuss the limitations of financial statement analysis. xii. Explain creative accounting/ window dressing. 	Interactive lectures and discussion forums.	End semester examination.
6. Credit evaluation- working capital finance	10%	<ul style="list-style-type: none"> i. Explain the meaning of working capital. ii. Identify different kinds of working capital. iii. Explain the Operating cycle. iv. Identify the factors affecting the level of working capital. v. Explain the assessment of working capital. 	Interactive lectures and discussion forums.	End semester examination.
7. Types of credit facilities	08%	<ul style="list-style-type: none"> i. Identify different types of facilities. ii. Explain overdraft, cash credit, bills facility, and term loans. iii. Explain fund-based and non-fund-based facilities. iv. Explain Bank Guarantee (BG). v. Explain the Letter of Credit (LC). 	Interactive lectures and discussion forums.	Case analysis end semester examination.

8. Credit administration-documentation	10%	<ul style="list-style-type: none"> i. Identify the meaning and importance. ii. Evidence. iii. Explain the steps involved in documentation. iv. Explain the procedure for execution of documents. v. Explain attestation, registration and renewal of documents. vi. Explain the documents normally obtained from borrower (constitution-wise). vii. Explain the types of charges: <ul style="list-style-type: none"> • Hypothecation, pledge, lien, assignment. • Different types of mortgages. 	Interactive lectures and discussion forums.	Case analysis end semester examination.
9. Credit administration-monitoring and follow-up	10%	<ul style="list-style-type: none"> i. Identify the meaning and importance of monitoring. ii. Explain the pre-disbursement and post-disbursement care. iii. Differentiate between off-site and on-site monitoring. iv. Identify unit inspection. v. Identify early warning signals. vi. Identify unfair practices normally adopted by borrowers. 	Interactive lectures and discussion forums.	Case analysis end semester examination.
10. Recovery management and loan restructure, reschedule, and rehabilitation	10%	<ul style="list-style-type: none"> i. Explain legal and non-legal recovery measures. ii. Explain loan restructuring, rescheduling, and rehabilitation. iii. Explain the debt recovery actions under civil procedure. iv. Explain the debt recovery actions under Debt Recovery Acts. v. Explain the composite settlement. 	Interactive lectures and discussion forums.	Case analysis end semester examination.
	100%			

Recommended reading:

- S. Murali/K.R. Subbakrishna, *Bank Credit Management*, 3rd edition, Himalaya Publishing House.
- Joseph C., *Advanced Credit Risk Analysis and Management*, 1st edition, Wiley
- S. Scott MacDonald/ Timothy W. Koch, *Management of Banking*, 8th edition.
- Justin Paul/ Padmalatha Suresh, *Management of Banking and Financial Services*, 4th Edition, Pearson India.

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-semester exam = 40%

Final exam = 60%

Total = 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 04-credit course unit, the notional learning time for the course unit is 200 hours (04*50) consisting of:

Face-to-face contact time: = 60 hours

Directed self-study = 40 hours

Self-directed learning experience = 40 hours

Assessment, review and revision = 60 hours

Total = 200 Hours

Course Title	International Trade and Finance			
Course Code	HDBF 21153			
Credit Value	03			
Status	Optional			
Level	II			
Semester	I			
Overall Learning Outcomes	At the end of the course unit students should be able to:			
<ol style="list-style-type: none"> 1. Explain the conceptual framework for international trade, buyer-seller relationship, risks of trading, the role of international organizations and the impact of imports and exports on the country's balance of payments. 2. Distinguish between the four primary settlement methods. 3. Select the most appropriate settlement method or combination of methods for a given scenario. 4. Explain the application of URC 522 for documentary collections and discuss key areas. 5. Explain the role of documentary credit in international trade and the scope and application of UCP 600 and its key articles. 6. Identify various other instruments used for international trade and for finance of international trade. 7. Explain the basic roles and responsibilities of seller and buyer, delivery, risks and costs in the incoterms 2020 rules. 8. Explain the foreign exchange regime for international trade. 				
Course contents:				
Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		

1. Introduction to International Trade	10%	<ul style="list-style-type: none"> i. Explain the benefits of international trade and its role in economic development. ii. Discuss the concept of Absolute Advantage and Comparative Advantage in international trade. iii. Distinguish between domestic and international trade. iv. Explain the risks of international trade and intelligent risk management approaches. v. Identify different documents used in international trade and their purpose. vi. Explain the significance of the Bills of Exchange Ordinance and its influence on international trade. vii. Explain the role of the World Trade Organization and the International Chamber of Commerce in the multilateral framework for trade. viii. Recognize the parties involved in international trade. ix. Evaluate the influence of external factors in international trade markets. x. Explain the usage of international payment methods. xi. Explain the nature of contingent liability. 	Interactive lectures, tutorials and group discussions.	Case analysis, mid semester and end semester examination.
2. International payment options	15%	<ul style="list-style-type: none"> i. Explain the significance and features of the contract of sale. ii. Describe the functionality and differentiate between the four primary payment methods: <ul style="list-style-type: none"> • Advance payment • Open account • Documentary collections • Documentary credits iii. Identify the major risks to exporters on open account trade and how to mitigate those risks. iv. Identify the limitations on advance payments by import & export control dept. 	Interactive lectures, tutorials and group discussions.	Case analysis, mid semester and end semester examination.

		<ul style="list-style-type: none"> v. Identify the risks under advance payment. vi. Identify the Uniform Rules for Collections (URC 522) and its application in Documentary Collections. vii. Recognize Sight and Term Bills of Exchange. viii. Explain the mechanism of: <ul style="list-style-type: none"> a) Documentary collection b) Form and structure of collection (URC 522 Art 4) c) Form of presentation (URC 522 art 5-8) d) Risks involved with DP and DA collection. e) Liabilities and responsibilities for documentary collections. f) Various disclaimers (discuss URC 522 Art 11-15). g) Payments under doc. collection (Art 16-19). h) Interest/ charges / & expenses (Art 20-21). i) Other provisions (URC 522 Art 22-26). j) Various relationships between parties of a collection. k) Financing import/ export collections and some issues and problems. l) Bank advances against avalized bills and general guidelines to Avalization. 		
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<p>3. Documentary Credits and ICC UCP600 (International Chamber of Commerce - Uniform Customs & Practice for Documentary Credits)</p>	<p>20%</p>	<ul style="list-style-type: none"> i. Describe the roles and responsibilities of parties involved in a documentary credit. ii. Identify the key fields of a documentary credit application in relation to UCP 600. iii. Determine pre-issuance considerations and requirements (Discuss UCP 600 Art 4-7). iv. Review the documentary credit application to determine whether it has been completed in a manner that is acceptable to the bank's policy, regulatory framework and is within the terms of a credit facility granted to the customer. v. Advice on documentary credits and amendments (UCP 600 Art 9 and 10). vi. Explain the implications of adding confirmation (Art 8). vii. Explain the terms honour, negotiation and prepay and purchase. viii. Identify the availability of doc. credit and payment. (UCP art 6). ix. Identify and apply standard for: <ul style="list-style-type: none"> a) examination of documents (UCP art 14). b) Handling of discrepant documents (Art 16). c) Nominating banks responsibilities (Art 12). d) Bank to bank reimbursements (art 13). 	<p>Interactive lectures, tutorials and group discussions.</p>	<p>Case analysis, mid semester and end semester examination.</p>
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		<ul style="list-style-type: none"> e) Complying presentation (art 15). f) Commercial invoice (art 18). g) Extension of expiry or last day for presentation (art 29). h) Tolerance in credit amount, quantity and unit prices (art 30). i) Partial drawings or shipments (art 31). j) Instalment drawings or shipments (art 32). k) Disclaimer on transmission and translation (art 35). l) Force majeure (art 36). m) Assignment of proceeds (art 39). 		
4. Special forms of Letters of Credit, Standby Letters of Credit and ISP 98 (International Standby Practices)	10%	<ul style="list-style-type: none"> i. Identify the features of the Red Clause, Revolving, Transferable, Back-to-back Documentary Credit and the requirements, scope and application of these documentary credits in a practical context. ii. Identify the operations of transferable documentary credits and applicability of UCP 600 art 38. iii. Recognize risks under back-to-back documentary credits and comparison of back-to-back and transferable credits. iv. Explain the terminology used in International Guarantees/Bonds and Standby Credits. v. Describe the principal uses of international guarantees/bonds and standby letter of credit. vi. Explain the application of Uniform Rules for Demand Guarantees (URDG 758). vii. Identify the key elements of International Standby Practices (ISP 98). 	Interactive lectures, tutorials and group discussions.	Case analysis and end semester examination.

5. International transport and the role of transport documents	15%	<ul style="list-style-type: none"> i. Explain the role of transport in international trade. ii. Explain international logistics management: sea, air, rail-road and multimodal transport. iii. Distinguish between charter parties, liners and forwarders. iv. Explain the features and characteristics of different types of transport documents used in sea, air, road and rail, containerized and multimodal transport (Discuss UCP art 19-25). v. Explain the role of the Bill of Lading as a central document in international trade. vi. Explain the nature and purpose of shipping guarantees in trade facilitation. vii. Explain the significance of cargo insurance and key features of an insurance policy (art 28 of UCP 600). viii. Discuss the connection between the duty to insure vs the commercial need to insure. 	Interactive lectures, tutorials and group discussions.	Case analysis, and end semester examination.
6. Incoterms 2020: ICC rules for the use of domestic and international trade terms	10%	<ul style="list-style-type: none"> i. Explain a set of eleven of the most commonly used three letter trade terms such as FOB, CIF, DAP, etc. ii. Explain what incoterms rules do's and don'ts and how they are best incorporated. iii. Explain the eleven incoterms' rules discussed under "sea and inland waterway" and "any mode(s) of transport". iv. Explain the basic roles and responsibilities of seller and buyer, delivery, risk and costs. v. Explain how best to choose the right incoterm based on the mode or modes of transport. vi. Identify the link between incoterms, insurance and responsibility to procure goods at each stage of the three main components of carriage, i.e. pre-carriage, main carriage and on carriage, 	Interactive lectures, tutorials and group discussions.	Case analysis, and end semester examination.

7. Short-term trade finance and structuring of revolving facilities	10%	<ul style="list-style-type: none"> i. Explain various types of pre shipment and post shipment finance. ii. Explain types of short-term facilities available to exporters. iii. Explain the methods of taking goods as securities: <ul style="list-style-type: none"> a) Mortgage b) Hypothecation c) Pledge iv. Compare Trust Receipts and Pledge Loans. v. Explain import facility products and structure revolving facilities for imports and their security documentation. vi. Explain the concept of avalisation and forfeiting as a means of trade finance. vii. Define factoring and invoice discounting and its uses as a means of short-term trade finance. 	Interactive lectures, tutorials and group discussions.	End Semester Examination
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8. Foreign exchange related to international trade	10%	<ul style="list-style-type: none"> i. Explain what is Entrepot Trade and how a country can benefit from such trade. ii. Explain the liberalization of foreign exchange regulations under the Foreign Exchange Act No.12 of 2017 with relevance to international trade. iii. Apply the regulatory framework for international trade in Sri Lanka. iv. Identify foreign exchange and its market structure. v. Explain how trade finance affects a bank's book. vi. Explain Nostro and Vostro accounts. vii. Explain the following forex fundamentals: <ul style="list-style-type: none"> a) Bid/ offer b) Direct /indirect quotes c) Spot/Tom/Cash rates d) Cross rates e) Forward rates f) Premiums/ discounts viii. Describe practical examples and sums. 	Interactive lectures, tutorials and group discussions.	Case analysis, and end semester examination.
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100%

Recommended reading:

- Krugman P., Obstfeld M., & Melitz M., *International Economics: Theory & Policy*, 10th edition, Pearson Series in Economics.
- Anders Grath A., *The Handbook of International Trade and Finance: The Complete Guide to Risk Management, International Payments and Currency Management, Bonds and Guarantees, Credit Insurance and Trade Finance*, Kogan Page, 2018.
- Bhogal, T., Trivedi, A., *International Trade Finance: A Pragmatic Approach, Finance and Capital Markets Series*, 2nd edition, Springer.

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-semester exam = 40%
Final exam = 60%
Total = 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 03-credit course unit, the notional learning time for the course unit is 150 hours (03*50), consisting of:

Face to face contact time	= 45hours
Directed self-study through Moodle	= 30 hours
Self-directed learning expected	= 35 hours
Assessment, review and revision	= 40 hours
Total	= 150 Hours

Course Title	Corporate Governance and Ethics			
Course Code	HDBF 21163			
Credit Value	3			
Status	Optional			
Level	II			
Semester	I			
Overall Learning Outcomes	At the end of the course unit students should be able to:			
<ol style="list-style-type: none"> 1. Explain theoretical aspects of governance, owners and stakeholders. 2. Describe the evolution of corporate governance. 3. Explain shareholders and stakeholders. 4. Explain Central Bank code on corporate governance and its scope on banking sector. 5. Describe directors and board structure. 6. Explain directors' performance and remuneration. 7. Explain corporate governance in the Asian Region. 8. Explain the impact of corporate governance collapses. 9. Explain importance of ethics to banking business. 10. Explain related party transactions. 				
Course contents:				
Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. Theoretical aspects of governance, owners and stakeholders	10%	<ol style="list-style-type: none"> i. Explain corporate governance. ii. Explain theories associated with development of corporate governance. iii. Explain Agency Theory. iv. Explain separation of ownership and control. v. Explain Stakeholder Theory. vi. Explain Stewardship Theory. vii. Explain transaction cost economies. 	Interactive lectures, tutorials and discussion forum.	Mid semester and end semester examination.

2. Evolution of Corporate Governance	10%	<ul style="list-style-type: none"> i. Explain the growth in the corporate governance codes. ii. Describe corporate governance in Sri Lanka. iii. Explain why good governance for banks. iv. Describe influential corporate governance codes for banking sector and listed companies. v. Explain the Basle Committee. 	Interactive lectures, tutorials and discussion forum.	Mid semester and end semester examination.
3. Shareholders and stakeholders	10%	<ul style="list-style-type: none"> i. Explain who are stakeholders. ii. Explain stakeholder groups. iii. Identify interests of shareholders and stakeholders. iv. Describe roles and responsibilities of shareholders and stakeholders. 	Interactive lectures, tutorials and discussion forum.	Case analysis, mid semester and end semester examination.
4. Central Bank code on corporate governance and its scope	15%	<ul style="list-style-type: none"> i. Apply Central Bank code on corporate governance to banking operations. ii. Explain the expectations of the regulator for good governance. iii. Explain the responsibilities of the stakeholders of the bank for corporate governance. iv. Describe the directors' responsibilities on corporate governance. v. Explain how to implement good governance to the bank. vi. Explain the importance of publishing governance compliance for the CBSL code through the annual report. 	Interactive lectures, tutorials and discussion forum.	Case analysis, mid semester and end semester examination.

5. Directors and Board structure	15%	<ul style="list-style-type: none"> i. Explain the rules applicable to measure fitness and propriety of directors. ii. Distinguish between unitary and two tier boards. iii. Explain the Board of Directors. iv. Explain the board diversity to cover all areas. i.e., age, knowledge, gender, expertise, etc. v. Explain the role of the board, its duties and responsibilities. vi. Describe types of directors- executive, non-executive and independent non-executive directors and their responsibilities. (Chief Executive Directors/ Managing Director, Chairman, Senior Independent Director, Company Secretary). vii. Explain Mandatory Board Subcommittees. <ul style="list-style-type: none"> a) Audit Committee b) Remuneration Committee c) Nomination Committee d) Related Party Transaction Review Committee e) Risk Committee viii. Explain director evaluation. ix. Explain succession planning of the bank. 	Interactive lectures, tutorials and discussion forum.	Case analysis and end semester examination.
6. Directors' performance and remuneration	15%	<ul style="list-style-type: none"> i. Discuss the director's remuneration debate. ii. Describe directors' evaluations on their performance and governance practices. iii. Describe key elements of directors' remunerations. iv. Explain the role of the remuneration committee. v. Identify performance measures of directors. vi. Explain disclosure of directors' remuneration. 	Interactive lectures, tutorials and discussion forum.	Case analysis and end semester examination.

7. Corporate governance in the Asian Region	05%	i. Discuss key corporate governance codes applicable in the region.	Interactive lectures, tutorials and discussion forum.	End semester examination
8. Corporate governance collapses	05%	i. Discuss different examples of corporate governance collapses.	Interactive lectures, tutorials and discussion forum.	Case analysis and end semester examination.
9. Ethics	10%	i. Define ethics and governance. ii. Explain importance of ethics for a bank. iii. Identify components of ethics. iv. Explain how to create an ethical culture.	Interactive lectures, tutorials and discussion forum.	Case analysis and end semester examination.
10. Related party transactions	05%	i. Discuss CSE rules relevant for the related party transaction monitoring.	Interactive lectures, tutorials and discussion forum.	End semester examination
	100%			

Recommended reading:

- Tricker B., *Principles, Policies, and Practices*, 4th edition, Oxford University Press.
- Fernando, A.C., *Business Ethics and Corporate Governance*, 2nd edition, Pearson Education India.
- Banking Act Directions issued by Central Bank of Sri Lanka

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-semester exam = 40%

Final exam = 60%

Total = 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 03-credit course unit, the notional learning time for the course unit is 150 hours (03 * 50), consisting of:

Face to face contact time = 45 hours

Directed self-study through IBSL Online System = 40 hours

Self-directed learning expected = 35 hours

Assessment, review and revision = 30 hours

Total = 150 Hours

Course Title	Compliance and Regulations
Course Code	HDBF 22174
Credit Value	04
Status	Core
Level	II
Semester	II
Overall Learning Outcomes	At the end of the course unit students should be able to:

1. Explain financial regulation, practical aspects of financial regulation, regulatory failures and main financial sector regulators.
2. Describe international developments over financial regulations.
3. Explain influences over regulatory function /environment.
4. Explain the importance of compliance culture within the financial sector.
5. Explain the role of each stakeholder to maintain high level of compliance culture within the financial institution.
6. Identify the fundamentals of compliance regulations locally as well as globally.
7. Explain regulatory practices in local context and in other jurisdictions.
8. Explain the role and different aspects of compliance management.
9. Explain recent developments in compliance management.
10. Apply compliance principles to the financial sector in order to identify the issues and challenges in financial regulation and compliance management and to make suggestions to address the same.

Course contents:

Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. Introduction to financial regulation	05%	<ol style="list-style-type: none"> i. Explain the concept of financial regulation. ii. Identify the difference between financial regulation and other regulations/regulatory activities. iii. Identify the main types of events that make financial regulation necessary. iv. Identify key stakeholders in financial industry regulation. 	Interactive lectures, tutorials, and discussion forum.	Mid semester and end semester examination.

2. International developments over financial regulations.	10%	<ul style="list-style-type: none"> i. Explain international legislations over financial regulations. ii. Explain international best practices and developments. iii. Identify international organizations over regulatory function, their role, developments and influence. 	Interactive lectures, tutorials, and discussion forum.	Case analysis, mid semester and end semester examination.
3. Practical aspects of the financial regulation	10%	<ul style="list-style-type: none"> i. Identify the components of a regulatory structure. ii. Identify the role of regulators. iii. Identify the powers of the regulators. iv. Identify the regulatory approaches. v. Identify different regulatory models around the world. v. Explain different attributes of effective regulation. vi. Explain the regulatory risk. 	Interactive lectures, tutorials, and discussion forum.	Case analysis, mid semester and end semester examination.
4. Main financial sector regulators	05%	<ul style="list-style-type: none"> i. Identify key types of institutions relating to financial regulation within the local context and around the world. 	Interactive lectures, tutorials, and discussion forum.	Mid semester and end semester examination.
5. Influences over regulatory function / environment	07%	<ul style="list-style-type: none"> i. Explain various influential groups over regulatory function; including political environment, economic environmental changes, technological development, market pressure, media and social groups and other players. 	Interactive lectures, tutorials, and discussion forum.	Case analysis, mid semester and end semester examination.
6. Regulatory failures	05%	<ul style="list-style-type: none"> i. Explain the meaning of regulatory failures. ii. Explain the actions to be taken to minimize regulatory failures. 	Interactive lectures, tutorials, and discussion forum.	Case analysis, mid semester and end semester examination.
7. Introduction to compliance function	05%	<ul style="list-style-type: none"> i. Explain the compliance function. ii. Identify specific role of the compliance function. iii. Explain the pre-requisite to achieve compliance objectives successfully. iv. Explain the compliance risk. 	Interactive lectures, tutorials, and discussion forum.	End semester Examination.

8. Compliance in practice	20%	<ul style="list-style-type: none"> i. Identify the roles/responsibilities of various parties involved in compliance function. ii. Explain the key compliance activities and processes. iii. Explain different types of compliance models, their processes, and advantages and disadvantages. iv. Explain local and international approaches in compliance management. v. Explain how to monitor the compliance activities. 	Interactive lectures, tutorials, and discussion forum.	Case analysis and end semester examination.
9. Expectations from effective compliance function	10%	<ul style="list-style-type: none"> i. Explain the expectations from compliance function over managing risk of money laundering, terrorist financing and proliferation financing. ii. Explain the expectations from compliance function over financial crime prevention. iii. Explain the expectations from compliance function over prevention of bribery and corruption. iv. Explain the expectations from compliance function over data protection and information security. v. Explain the expectations from compliance function over effective management of conflict of interest. vi. Explain the expectations from compliance function over prevention of market abuse. vii. Explain the expectations from compliance function over compliance with prudential regulations. viii. Explain the expectations from compliance function over prevention of other market misconducts. 	Interactive lectures, tutorials, and discussion forum.	Case analysis and end semester examination.

10. Key technical knowledge and skills required for compliance function/officers	05%	i. Explain the importance of technical knowledge and skills. ii. Explain the importance of personal skills. iii. Explain the importance of personal qualities.	Interactive lectures, tutorials, and discussion forum.	End semester examination.
11. Relationship of the compliance function with culture and ethics	05%	i. Explain the role of culture and ethics in achieving compliance objectives. ii. Explain how to design and implement a principles-based compliance culture.	Interactive lectures, tutorials, and discussion forum.	End semester examination.
12. Integrated compliance management	08%	i. Explain the meaning of integrated compliance management. ii. Explain the role of risk management in integrated compliance management. iii. Explain the role of corporate governance in integrated compliance management. iv. Identify the benefits of integrated compliance management.	Interactive lectures, tutorials, and discussion forum.	End semester examination.
13. Recent developments in compliance management	05%	i. Identify recent developments in compliance management in various jurisdictions.	Interactive lectures, tutorials, and discussion forum.	Case analysis and end semester examination.
	100%			

Recommended reading:

- Ramakrishna S. P., *Enterprise Compliance Risk Management*, Wiley Corporate F&A, 1st Edition.
- Kotz H. D., *Financial Regulation and Compliance*, Wiley; 1st Edition.
- Dill A., *Bank Regulation, Risk Management, and Compliance: Theory, Practice, and Key Problem Areas*, 1st edition, Informa Law from Routledge
- Dill A., *Practical Finance and Banking Guides*, Informa Law from Routledge; 1 edition.

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-semester exam = 40%

Final exam = 60%

Total = 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 04-credit course unit, the notional learning time for the course unit is 200 hours (04*50) consisting of:

Face to face contact time:	= 60 hours
Directed self-study	= 40 hours
Self-directed learning experience	= 40 hours
Assessment, review and revision	= 60 hours
Total	= 200 Hours

Course Title	Risk Management and IS Security			
Course Code	HDBF 22184			
Credit Value	04			
Status	Core			
Level	II			
Semester	II			
Overall Learning Outcomes	At the end of the course unit students should be able to:			
	<ol style="list-style-type: none"> 1. Describe the concept of risk and governance of risk management. 2. Explain the different business models of financial institutions and related business risks. 3. Explain risks related to different financial markets and different financial products. 4. Describe and differentiate between the key classes of risks, to explain how each type of risk can arise and assessment of risk in an organization. 5. Explain the importance of and tools for information system security. 6. Describe risk management from financial/economic crisis. 7. Describe the activities related to information security. 			
Course contents:				
Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. Introduction to the building blocks of risk management	04%	<ol style="list-style-type: none"> i. Identify the different types of business risks. ii. Explain how to evaluate the material risk for the FIs. iii. Identify the methods of assessing material risks. iv. Explain the procedures of controlling and managing the risks. 	Interactive lectures, group discussions and tutorials.	Case analysis, mid semester and end semester

2. Different business models of financial institutions and related business risks	07%	<ul style="list-style-type: none"> i. Identify and understand business specific risks of: <ul style="list-style-type: none"> a. Corporate banking b. Retail banking c. Universal banking d. Investment banking e. Primary dealer business ii. Explain and identify related business risks of non-bank financial institutions. I.e., <ul style="list-style-type: none"> • Finance business • Leasing business • Hire purchase business iii. Explain the business risks of Insurance Companies. I.e., <ul style="list-style-type: none"> • General insurance • Life insurance • Investment/ business plan 	Interactive lectures, group discussions and tutorials.	Case analysis, mid semester and end semester examination.
3. The governance of risk management	07%	<ul style="list-style-type: none"> i. Explain the corporate governance culture as a means of mitigating conflict of interest. ii. Discuss and evaluate the policy framework and committee structure pertaining to the governance of risk management in the FI. iii. Explain and identify the ways and means of integrating risk management, corporate governance and compliance in order to maintain sustainability and value of the FI. 	Interactive lectures, group discussions and tutorials.	Mid semester and end semester examination.
4. Introduction to enterprise risk management and related practices	07%	<ul style="list-style-type: none"> i. Explain the basic principles for effective data aggregation and risk reporting. ii. Identify a proper framework for integrated stress testing in the FI. iii. Apply multiple scenario stress testing on a top-down and bottom-up basis. iv. Assess the impact on capital, liquidity and earnings under base case, moderate and severe stresses. v. Apply Back Testing on a case-by-case basis. 	Interactive lectures, group discussions and tutorials.	Mid semester and end semester examination.

5. Learning on risk management from financial/ economic crisis	10%	<ul style="list-style-type: none"> i. Identify the types of and causes for financial/economic crisis. ii. Distinguish and select major financial /economic crisis severely affected the global economy. iii. Identify the remedies to mitigate financial /economic crisis. iv. Explain the implementation of a recovery plan with a view to have proper crisis preparedness. v. Identify the potential exposures of systemic risks and appreciate Macro Prudential Supervision as an essential mitigation. 	Interactive lectures, group discussions and tutorials.	Case analysis, mid semester and end semester Examination.
6. Risks related to different financial markets	10%	<ul style="list-style-type: none"> i. Identify and understand the risks related to different financial markets. I.e., <ul style="list-style-type: none"> • Exchanges and OTC markets. • Foreign exchange markets. • Commodity markets. • Equity (including GDR) markets. • Corporate/govt debt markets. • Derivatives. 	Interactive lectures, group discussions and tutorials.	Mid semester and end semester examination.
7. Risks related to different financial products	07%	<ul style="list-style-type: none"> i. Identify and understand the risks related to different financial products. I.e., <ul style="list-style-type: none"> • Deposit products • Lending products • Trade finance products • Insurance products • Govt/corporate bonds • Superannuation products • Unit trust products 	Interactive lectures, group discussions and tutorials.	Mid semester and end semester examination.

8. Financial derivative markets and derivative products	05%	i. Explain and identify the nature of derivative markets. ii. Explain the operations of these markets as enablers of hedging techniques. iii. Identify different derivatives as hedging instruments. iv. Explain the nature of risk treatment through each type of derivative product. I.e., <ul style="list-style-type: none"> • Forwards • Futures • Swaps • Options 	Interactive lectures, group discussions and tutorials.	End semester examination.
9. Fundamentals of measurement and management of credit risk	08%	i. Explain the purpose of external and internal credit rating models. ii. Explain the impact of credit concentration risk on the FI's overall risk profile under following concentrations. <ul style="list-style-type: none"> • Name • Geography • Sector/ Industry • Product iii. calculate the HHI index as a measure of concentration risk.	Interactive lectures, group discussions and tutorials.	Case analysis and end semester examination.
10. Introduction to the regulations on Credit Risk Management	03%	i. Explain the purpose of maintaining the maximum amount limit on accommodation, Loan to Value Ratio and valuation of immovable properties. ii. Estimate the capital requirements on credit risk as per the Basel Accords getting involved with ICAAP process.	Interactive lectures, group discussions and tutorials.	Case analysis and end semester examination.
11. Introduction to Current Expected Credit Loss (CECL) calculation- SLFRS 9	04%	i. Identify the framework of SLFRS-9 requirements. ii. Explain the concept of: <ul style="list-style-type: none"> • Probability of Default. (PD) • Loss Given Default (LGD) • Exposure at Default (EAD) • CECL calculations. • Current year and Life Time Expected Loss 	Interactive lectures, group discussions and tutorials.	End semester examination.

12. Measurement and management of market risk	04%	<ul style="list-style-type: none"> i. Explain the market conduct and practices. ii. Explain the Basel Accord capital requirements and ICAAP. iii. Measure and monitor VAR. iv. Apply Interest Rate Risk and Duration Measure concepts. v. Explain Rate Sensitivity and Duration Gap Analysis. 	Interactive lectures, group discussions and tutorials.	Case analysis and end semester examination.
13. Measurement and management of operational risk.	03%	<ul style="list-style-type: none"> i. Explain the nature of operational risk events and maintenance of an operational loss database. ii. Identify RCSA process and Key Risk Indicators. iii. Identify general measures of operational risks based on the above. 	Interactive lectures, group discussions and tutorials.	Case analysis and end semester examination.
14. Regulatory provisions on operational risk and cyber risk	04%	<ul style="list-style-type: none"> i. Apply Basel requirements and ICAAP process. ii. Identify the cyber security threat. iii. Identify the use of Fintech, AI and related risk. iv. Explain Business Continuity Management. 	Interactive lectures, group discussions and tutorials.	Case analysis and end semester examination.
15. Measurement and management of liquidity risk	04%	<ul style="list-style-type: none"> i. Identify and understand the measures to monitor liquidity. ii. Explain the Maturity Gap Analysis. iii. Explain the regulatory provisions on iv. Liquidity Risk Management. (i.e. SLAR, Basel standards-: LCR,NSFR,ILAAP). iv. Identify the importance of Contingency Funding Plan. 	Interactive lectures, group discussions and tutorials.	Case analysis and end semester examination.
16. The importance of information system security	03%	<ul style="list-style-type: none"> i. Explain how to ensure compliance. ii. Explain how to prevent bankruptcy in smaller companies. iii. Explain how to protect internal data. 	Interactive lectures, group discussions and tutorials.	Case analysis and end semester examination.

17. Tools for information security	03%	i. Explain authentication. ii. Explain encryption. iii. Explain access Controls.	Interactive lectures, group discussions and tutorials.	End semester examination
18. Activity related to information security	03%	i. Explain security policies. ii. Explain backups.	Interactive lectures, group discussions and tutorials.	End semester examination
19. Credit risk management	04%	i. Explain basic principles, policies and processes (Identification, measurement and control). ii. Explain the role of rating agencies. iii. Identify internal risk rating models. iv. Use of Break-Even Analysis, Sensitivity Analysis, Solvency Test.	Interactive lectures, group discussions and tutorials	End semester examination
	100%			

Recommended reading:

- CBSL Direction No. 11 of 2007 on Corporate Governance and related amendments.
- CBSL Direction No. 7 of 2011 on Integrated Risk Management Framework and subsequent amendments/ additions.
- Crouhy M., Galai D., Mark R., *The Essentials of Risk Management*, 2nd edition, McGraw Hill.
- Brown A, *Financial Risk Management for Dummies*, 1st edition, For Dummies.
- John C. Hull J. C., *Risk Management and Financial Institutions*, 6th edition, Wiley.

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-semester exam = 40%

Final exam = 60%

Total = 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 04-credit course unit, the notional learning time for the course unit is 200 hours (04*50) consisting of:

Face to face contact time:	= 60 hours
Directed self-study	= 40 hours
Self-directed learning experience	= 40 hours
Assessment, review and revision	= 60 hours
Total	= 200 Hours

Course Title	Strategic Leadership			
Course Code	HDDBF 22194			
Credit Value	04			
Status	Core			
Level	II			
Semester	II			
Overall Learning Outcomes	At the end of the course unit students should be able to:			
	<ol style="list-style-type: none"> 1. Describe the importance of developing leadership skills for professional progress. 2. Explain common characteristics of leadership. 3. Explain different types of leadership. 4. Explain different theories of leadership. 5. Describe ways of empowering and promoting team spirit. 6. Describe different ways of developing leadership skills. 7. Explain how to use the leadership skills under different situations. 8. Describe important habits that leaders should nurture. 			
Course contents:				
Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. The nature of leadership	06%	<ol style="list-style-type: none"> i. Define leadership. ii. Explain indicators of effective leadership. iii. Explain methods of assessing effectiveness of leadership. iv. Explain theories of leadership. 	Interactive lectures and group discussions.	Mid semester and end semester examination.
2. Leadership behavior	08%	<ol style="list-style-type: none"> i. Explain reasons for diverse leaderships. ii. Explain important types of leadership behavior. iii. Describe task-oriented leadership. iv. Describe relation-oriented leadership. 	Interactive lectures and group discussions.	Case analysis, mid semester and end semester examination.

3. Decision making and empowerment by leaders	12%	<ul style="list-style-type: none"> i. Explain decision making by managers. ii. Explain participative leadership. iii. Explain guidelines for participative leadership. iv. Define delegation. v. Explain guidelines for delegation. vi. Explain psychological empowerment. vii. Explain empowerment programmes. viii. Explain benefits of empowering leadership. 	Interactive lectures and group discussions.	Mid semester and end semester examination.
4. Leading change and innovation	12%	<ul style="list-style-type: none"> i. Identify types of change in teams and organizations. ii. Explain the process of changing. iii. Explain reasons for accepting and resisting change. iv. Explain guidelines for implementing change. v. Explain how visions influence change. vi. Explain collective learning and innovation. vii. Explain enhancing learning and innovation. 	Interactive lectures and group discussions.	Case analysis, mid semester and end semester examination.
5. Power and influence tactics	10%	<ul style="list-style-type: none"> i. Explain sources of power. ii. Explain gaining and losing power. iii. Explain consequences of power. iv. Explain how to use power. v. Explain tactics of influence and outcomes. vi. Explain power and influence. vii. Explain characteristics for using provocative 	Interactive lectures and group discussions.	Mid semester and end semester examination.

6. Leadership traits and skills	10%	<ul style="list-style-type: none"> i. Explain personality traits and effective leadership. ii. Explain skills and effective leadership. iii. Explain managerial competencies. iv. Explain evaluation of trait approach. v. Explain guidelines for leaderships. 	Interactive lectures and group discussions.	Case analysis, end semester examination.
7. Charismatic and transformational leadership	08%	<ul style="list-style-type: none"> i. Explain charismatic leadership. ii. Explain effects of charismatic leaders. iii. Explain transformational leadership. iv. Compare charismatic leadership and transformational leadership. v. Explain characteristics for the inspirational leadership. 	Interactive lectures and group discussions.	End semester examination.
8. Leadership in teams and decision groups	12%	<ul style="list-style-type: none"> i. Explain determinants of team performance. ii. Explain functional and cross-functional teams. iii. Explain self-managed work teams. iv. Explain guidelines for leading teams. v. Explain leading decision groups. vi. Explain characteristics for leading meetings. 	Interactive lectures and group discussions.	End semester examination.
9. Strategic leadership in organizations	12%	<ul style="list-style-type: none"> i. Explain determinants of organizational performance. ii. Explain how leaders influence organizational performance. iii. Explain situations affecting strategic leadership. iv. Explain organizational culture. v. Explain executive teams. vi. Explain external monitoring and formulation of strategies. vii. Explain characteristics for strategic leadership. 	Interactive lectures and group discussions.	Case analysis and end semester examination.

10. Developing leadership skills	10%	i. Explain leadership training programmes. ii. Explain learning from experience. iii. Explain developmental activities. iv. Explain facilitating leadership.	Interactive lectures and group discussions.	End semester examination.
	100%			

Recommended reading:

- Steven J. Stowell, Stephanie S. Mead., *The Art of Strategic Leadership*, 1st Edition, Wiley.
- Covey S.R., *The 7 Habits of Highly Effective People*, 30th Anniversary Edition, Simon & Schuster.
- Daft R. L., *The Leadership Experience*, 8th edition, Cengage Learning.

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-semester exam = 40%

Final exam = 60%

Total = 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 04-credit course unit, the notional learning time for the course unit is 200 hours (04*50) consisting of:

Face to face contact time: = 60 hours

Directed self-study = 40 hours

Self-directed learning experience = 40 hours

Assessment, review and revision = 60 hours

Total = 200 Hours

Course Title	Advanced Quantitative Techniques			
Course Code	HDBF22203			
Credit Value	3			
Status	Optional			
Level	II			
Semester	II			
Overall Learning Outcomes	At the end of the course unit students should be able to:			
<ol style="list-style-type: none"> 1. Compute algebra and solve equations. 2. Apply costing methods for decision making. 3. Apply basic concepts and calculate elementary portfolio mathematics. 4. Application and interpretation of indices. 5. Solve problems using differential and integral calculus. 6. Explain the fundamentals of hypothesis testing. 				
Course contents:				
Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. Algebra and solving equations	15%	<ol style="list-style-type: none"> i. Compute the following: <ol style="list-style-type: none"> a) Algebraic manipulations. b) Quadratic formula. c) Solving systems of equations that contain multiple variables. d) Geometric expansions. e) Functions and graphs. 	Interactive lectures, tutorials and discussion forum.	Mid semester and end semester examination.
2. Costing	15%	<ol style="list-style-type: none"> i. Identify different types of costs (total, variable, fixed, opportunity, sunk). ii. Calculate profit, break-even point, etc. iii. Apply for decision making. 	Interactive lectures, tutorials and discussion forum.	Case analysis, mid semester and end semester examination.

3. Elementary portfolio mathematics	15%	<ul style="list-style-type: none"> i. Explain basic concepts and calculate: <ul style="list-style-type: none"> a) Portfolio return. b) Portfolio variance. c) Diversification and efficiency. d) The market portfolio and beta. e) Deriving the portfolio variance expression. ii. Analytical report writing. 	Interactive lectures, tutorials and discussion forum.	Case analysis, mid semester and end semester examination.
4. Construction of indices	15%	<ul style="list-style-type: none"> i. Calculate and interpret: <ul style="list-style-type: none"> a) index numbers of quantity b) index numbers of price c) consumer price indices ii. Application of indices: <ul style="list-style-type: none"> a) Real wages b) Real interest rate 	Interactive lectures, tutorials and discussion forum.	End semester examination.
5. Differential Calculus	15%	<ul style="list-style-type: none"> i. Explain the following and perform necessary mathematical operations for the following: <ul style="list-style-type: none"> a) Functions and limits. b) Slopes, derivatives, maxima, and minima. c) Derivatives of polynomials. d) Partial and total derivatives e) The chain rule, product rule, and quotient rule. f) Logarithmic and exponential functions. g) Taylor series expansions. h) The method of Lagrange multipliers. 	Interactive lectures, tutorials and discussion forum.	End semester examination.
6. Integral Calculus	15%	<p>Explain the following and perform necessary mathematical operations for the following:</p> <ul style="list-style-type: none"> a) Antidifferentiation and the indefinite integral. b) Riemann sums. c) Definite integrals and areas. d) Differential equations. 	Interactive lectures, tutorials and discussion forum.	End semester examination.

7. Fundamentals of hypothesis testing	10%	i. Explain the concept of hypothesis testing. ii. Test hypothesis using software.	Interactive lectures, tutorials and discussion forum.	End semester examination.
	100%			

Recommended reading:

- Clendenen, G., and Salzman, S., *Business Mathematics*, 14th edition, Pearson.
- Don., E., and Lerner, J., *Basic Business Mathematics*, 2nd edition, (Schaum's Outline Series), McGraw-Hill Education.
- Sydsaeter. K and Hammond P.J., *Mathematics for Economics and Analysis*, 1st edition, Pearson College Div.
- Levine, M.D., Krehbiel, T.E. and Berenson, M.L., *Business Statistics: A First Course*, 6th Edition, Pearson.

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-semester exam = 40%

Final exam = 60%

Total = 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 03-credit course unit, the notional learning time for the course unit is 150 hours (03*50) consisting of:

Face-to-face contact time: 45 hours

Directed self-study 30 hours

Self-directed learning experience 35 hours

Assessment, review and revision 40 hours

Total 200 Hours

Course Title	Financial Management and Treasury Operations
Course Code	HDBF 22213
Credit Value	3
Status	Optional
Level	II
Semester	II
Overall Learning Outcomes	At the end of the course unit students should be able to:

At the end of the course, students should be able to have a basic understanding of treasury and the role and importance of treasury in banks:

1. Explain salient points in trading in local and foreign currencies.
2. Describe cash flow management in relation to banking industry.
3. Identify fund raising instruments, associated cost and risks.
4. Explain asset-liability management in banking and finance industry.
5. Appraise investment options available for the banking and finance industry.
6. Describe treasury and portfolio management.
7. Explain and apply concepts in financial analysis, planning and forecasting.

Course contents:

Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
		At the end of the session students should be able to:		
1. Local currency and foreign currency	10%	<ol style="list-style-type: none"> i. Explain trading in foreign currency. ii. Explain SWAPS options. iii. Explain managing foreign currency position. 	Interactive lectures and group discussions.	Mid semester and end semester examination.
2. Cash flow management, liquidity management and net opening position	10%	<ol style="list-style-type: none"> i. Analyze the Cash Flow. ii. Analyze the Balance Sheet. 	Interactive lectures, tutorials and group discussions.	Mid semester and end semester examination.
3. Pricing of products	10%	<ol style="list-style-type: none"> i. Explain the determination of interest rates. ii. Identify loan products and deposits. iii. Explain maintaining of NIM (Net Investment Margin). 	Interactive lectures and group discussions.	Mid semester and end semester examination.

4. Investments in fixed income securities and other income	10%	<ul style="list-style-type: none"> i. Explain Treasury Bills. ii. Explain Treasury Bonds. 	Interactive lectures and group discussions.	Mid semester and end semester examination.
5. Fund raising instruments and costs	15%	<ul style="list-style-type: none"> i. Explain equities. ii. Explain convertibles and warrants. iii. Explain debt instruments. iv. Explain securitization/asset backed securities. v. Explain leverage buy-outs and their processes and costs. 	Interactive lectures and group discussions.	End semester examination.
6. Asset-liability management	15%	<ul style="list-style-type: none"> i. Explain liquidity risk. ii. Explain maturity gap analysis. iii. Explain cash flow management. iv. Explain liquid assets and liability ration. v. Explain raising the liquidity ratio (Asset Management and Liability Management). vi. Explain the Asset Liability Committee (ALCO) mechanism. vii. Explain and compute working capital management. viii. Explain and compute capital budgeting. 	Interactive lectures and group discussions.	Case analysis, and end semester examination.

7. Treasury and Portfolio Management	15%	<ul style="list-style-type: none"> i. Identify types of funds (Hedge funds, pension funds, provident funds, surplus funds, etc). ii. Explain portfolio/asset mix selection strategies. iii. Discuss global and local market investment products. iv. Calculate asset accounting (fair value at profit /loss, held to maturity, available for sale etc. and impairment standards) v. Explain risk management and management (value at risk, maturity gap, interest rates gap, modified duration, stress testing, use of derivatives open position limits). vi. Explain fund management and operations structure (front office, middle office, back office, segregation of duties). vii. Explain and compute return on portfolio (capital gain, dividend/ interest, marked-to market/ fair value gain, etc., return benchmarking). 	Interactive lectures and group discussions.	Case analysis and end semester examination.
8. Financial Analysis, Planning and Forecasting	15%	<ul style="list-style-type: none"> i. Discuss risk–return trade–off. ii. Explain and compute budgeting techniques (case on business lines, activity–wise, business/ operations target etc), estimation of future cashflows. iii. Compute and explain time value/present value of money and degree of preferred financial leverage. iv. Compute and explain financial performance forecasting. (Based on statistical models on past performance). v. Compute and explain models or descriptive judgement–based forecasting. vi. Explain stress scenario testing etc. 	Interactive lectures and group discussions.	Case analysis, and end semester examination.
	100%			

Recommended reading:

- Bragg, Steven M. B., *Treasury Management: The Practitioner's Guide*, 1st edition, John Wiley and Sons Inc.
- Horcher K.A, *Essentials of Managing Treasury*, Willey, 2011.
- Jeffery C. A., *The Strategic Treasurer: A Partnership for Corporate Growth*, Willey, 2009.
- Companies Act No. 7 of 2007.
- *Sri Lanka Accounting Standards*, Latest edition, Institute of Chartered Accountants of Sri Lanka (CASL).
- Ross, S. A., Westerfield, W. R., and Jeffrey, F. J., *Corporate Finance*, 13th Edition, Mc Graw Hill, New Delhi.

Assessments:

Students are required to do a mid-semester exam and face the final exam at the end of the semester.

The final grade will be computed as follows:

Mid-semester exam	= 40%
Final exam	= 60%
Total	= 100%

Students are required to obtain a minimum of 50% from the mid-semester examination and 50% from the final semester examination to pass the subject.

Learning time:

Being a 03-credit course unit, the notional learning time for the course unit is 150 hours (03*50) consisting of:

Face-to-face contact time:	45 hours
Directed self-study	30 hours
Self-directed learning experience	35 hours
Assessment, review and revision	40 hours
Total	200 Hours

9. MEMBERSHIPS OF IBSL

9.1 ASSOCIATE MEMBERSHIP OF IBSL (AIB, SRI LANKA)

Candidates who fulfill the following requirements are eligible to obtain the Associate Membership of IBSL with the professional title of 'AIB Sri Lanka' which can be used after their names.

- Have completed the IBSL Professional Programme (DBF & HDBF); AND
- Be either at the Managerial Level (Manager Grade or above) in a Bank / Financial institution or Non-financial Institution involving business operations connected with Banking & Finance, OR
- Possess a minimum of 4 years working experience in a Bank / Financial institution or Non - financial Institution involving business operations connected with Banking and Finance.

9.2 FELLOW MEMBERSHIP OF IBSL (FIB)

IBSL offers three (03) categories of Fellow Memberships and the requirements for each category are as follows.

a. Fellow Membership (FIB Sri Lanka)

Should be an Associate Member (Life/Active) of the IBSL and hold a position of AGM/DGM grade or above in a Bank/Financial Institution;

OR

Associate Member with a minimum of 10 years post-Associate Membership experience in the field of Banking / Finance.

b. Senior Fellow Membership (FIBs Sri Lanka)

Should be a Fellow Member (Life/Active) of the IBSL with a minimum of five (05) years of Fellow Membership;

OR

Should be an Associate Member (Life/Active) of the IBSL with a minimum of 15 years post-Associate Member experience and hold a top management position in a Bank/Financial Institution.

c. Honorary Fellow Membership (FIB (Hon) Sri Lanka)

Recipients for Honorary Fellowships are nominated and selected by the members of the Governing Board of the IBSL considering specific attributes of prominence of such personalities.

Fellow Membership
(FIB Sri Lanka)

Senior Fellow Membership
(FIBs Sri Lanka)

Honorary Fellow Membership
(FIB (Hon) Sri Lanka)



80A Elvitigala Mawatha, Colombo 08
0112 425 777 | www.ibsl.lk | info@ibsl.lk

