



DE LA SALLE UNIVERSITY
RAMON V. DEL ROSARIO COLLEGE OF BUSINESS
FINANCIAL MANAGEMENT DEPARTMENT
UNDERGRADUATE COURSE SYLLABUS, T1,AY 2021-2022

COURSE CODE	: FINTREM
COURSE TITLE	: FINANCIAL TREASURY MANAGEMENT
PREREQUISITE	: FINTMED and INTFINA
CLASS DAYS AND TIME	: TH 7:45-9:15 PM
INSTRUCTOR	: Ms. Janessa B. Tan
CONSULTATION HOURS	: By Appointment

COURSE DESCRIPTION:

TREAMFI (Treasury Management) is an intensive course on the theoretical concepts and practical applications of the Treasury's role in managing the bank's asset and liability portfolio. The course shall acquaint students with the market factors that drive movement in the financial market. More importantly, the course shall focus on the major functional areas of treasury management - asset liability management, fixed income, currency, and derivatives (front-office). Risk management (middle-office) and treasury operations and support (back-office) functions shall likewise be highlighted to show the controls needed to be set up to effectively manage the risks undertaken by the bank. Overall, the course attempts to provide a solid framework in which students will understand the Treasury's role and functions and apply the learning in handling the assets and liabilities of a bank or of any organization.

The pre-requisites for the course are FINTMED and INTFINA. Although not directly required in the curriculum, it is recommended that the students have already studied basic economic and mathematical concepts taken in ECONTWO, FMMACRO, BUSMATH, FINMAT1, FINMAT2, and FINMAN2. Treasury management requires a good grounding in economic concepts especially when analyzing the behaviour of financial assets to the movement in interest rates and other relevant market indicators.

The course equips the students with an intermediate knowledge in the treasury management of a bank that prepares them for careers in asset-liability management, liquidity management, fixed income or currency trading and dealership, market analysis, and risk management. The topics in the course partly cover the subject matter of the Treasury Certification Program (TCP) by the Ateneo Center for Continuing Education and the Bankers Institute of the Philippines and the Fixed Income Market Salesman License Exam by the Philippine Securities and Exchange Commission (SEC).

This course will be delivered fully online for this A.Y 2020-2021, Term 3. Students are expected to comply with all the requirements and the submissions online through Animo Space.

Expected Lasallian Graduate Attributes (ELGAs)	LEARNING OUTCOMES (LO)
Critical and Creative Thinkers	LO1: Describe the Treasury's responsibilities and activities and justify its significance in the bank's business.
Service-driven, ethical, and socially responsible citizens	LO2: Demonstrate clear understanding of market trading conventions, dealing room terminologies, operational processes, and global best practices in financial markets. LO3: Determine the market factors that influence movement in interest rates and foreign exchange.
Effective Communicators	

Reflective life-long learners	LO4: Determine the market factors that influence movement in interest rates and foreign exchange.
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RUBRIC FOR ASSESSMENT:

A. Rubric for problem sets and class exercises

CRITERIA	EXEMPLARY 4	SATISFACTORY 3	DEVELOPING 2	BEGINNING 1	RATING
Completeness (80%)	All problems are correctly solved and solutions are clearly presented. These show the logic used to arrive at the final answer.	All problems are solved with minimal mistakes due to carelessness or lack of solution.	Majority of the problems are solved.	Majority of the problems are not solved.	
Neatness (20%)	All problems are solved in an orderly manner (labels solutions, corrects errors properly, & legible handwriting).	All problems are solved in an orderly manner and with proper correction of errors.	Majority of the problems are solved in an orderly manner with proper correction of errors.	Majority of the problems are solved improperly.	
				TOTAL:	

B. Rubric for case study submissions

CRITERIA	EXEMPLARY 4	SATISFACTORY 3	DEVELOPING 2	BEGINNING 1	RATING
Quality of documentation , supporting evidence and use of information (30%)	Complete documentation of information which go beyond the requirements provided. All materials are used to support the analysis of the paper.	Proper documentation of information as stated by the requirements. Materials are used to support the analysis of the paper.	Proper documentation of information as stated by the requirement. Not all materials are used to support the analysis of the paper.	Incomplete documentation of information. Materials are not used in the analysis of the paper.	
Organization of ideas	All information and topics are in logical order. All	Information and topics are in logical order.	Information and topics are in not	Organization unclear; paragraph	

(20%)	main ideas are supported by well-explained evidence and analysis. Connections between paragraphs and ideas are clear. Overall, the content and flow of the paper should be clear.	Some of the main ideas are supported by explanation and analysis. Overall, the content and flow of the paper should be clear.	consistently organized. Some of the main ideas are supported by explanation and analysis. The content and flow of the paper is not that clear.	structure poor; transitions poor; the paper is hard to follow.	
Proper analysis, computations, and solutions (30%)	All problems are correctly solved and solutions/action plans are clearly presented. The above shows the logic used to provide financial solutions.	All problems are solved with minimal mistakes. Action plans/solutions are presented. Logic is used to provide financial solutions.	Majority of the problems are solved.	Majority of the problems are not solved.	
Neatness of paper format (10%)	Proper spacing and indentation. Proper use of tables and graphs to make the paper reader-friendly	Consistent use of spacing and indentation. Few tables and graphs.	Consistent use of spacing and indentation. No tables and graphs.	Inconsistent use of spacing and indentation.	
Grammar (10%)	No errors in grammar	Few errors in grammar	Many errors in grammar	Incorrect grammar all throughout the paper.	
				TOTAL:	

C. Rubric for term paper presentations

CRITERIA	EXEMPLARY	SATISFACTORY	DEVELOPING	BEGINNING	RATING
	4	3	2	1	
Content and organization of presentation (20%)	All information and topics are in logical order. All main ideas are supported by well-	Information and topics are in logical order. Some of the main ideas are supported by explanation and	Information and topics are in not consistently organized. Some of the	Organization unclear; paragraph structure poor; transitions poor; the	

	explained evidence and analysis. Connections between paragraphs and ideas are clear. Overall, the content and flow of the paper should be clear.	analysis. Overall, the content and flow of the paper should be clear.	main ideas are supported by explanation and analysis. The content and flow of the paper is not that clear.	paper is hard to follow.	
Concreteness, clarity, and conciseness of the presentation (20%)	All main topics of the report should be discussed and summarized. Analysis and insights should be included in the presentation within the allotted time.	All topics of the report were adequately discussed and summarized. Analysis and insights were sufficiently included in the presentation within the allotted time.	Few topics of the report were discussed and summarized. Incomplete or no analysis and insights were included in the presentation within the allotted time.	Incomplete topics were discussed and summarized. Analysis and insights not included in the presentation within the allotted time.	
Language (20%)	Correct use of grammar, good command of English, and appropriate word choice	Occasional lapse in grammar.	Many incorrect use of grammar and improper choice of words	Wrong grammar, poor vocabulary, inappropriate word choice	
Audience Impact (20%)	Establish rapport through direct eye contact, confident and natural body language, and sustain audience interest. Proper voice projection. Mastery of the topic.	Generally able to establish rapport with the audience, project their voices well, show some confidence and mastery.	Sometimes loses the attention of the audience. Gets easily distracted. Occasionally peaks softly. Lacks confidence.	No rapport was established. No eye contact. Bad body language. Did not arouse the interest of the audience. Soft voice projection. No mastery of the topic. No confidence.	
Visual and Audiovisual aids (20%)	Adequate, appropriate, and skillful use of media	Aids are streamlined/clean. Generally easy to follow and	Aids are cluttered and difficult to follow. Texts and graphics	No visual aids at all. Too technical. Disorganized	

		Reaction Threads to Questions)			
	The Treasury Organization A. Role of the Treasury Unit B. Responsibility Statement C. Assets and Liabilities Committee D. Organizational Structure E. Delineation of Responsibilities F. Desk Function in details G. Code of Ethics	Synchronous (3 hrs) <i>Discussion Forum</i> <i>Q & A about the topic on schedule at the LMS</i> Asynchronous (4.5 hrs) <i>Video</i> Discussion/Canvas Chat Tool: Reaction Threads to Questions		Online recitation based on assigned readings	2
01 02	I. Financial Market Analysis A. Marketplace Paradigm B. Macroeconomic Indicators and Interpretation C. Government Policy Direction D. Inter-Market Linkages and E. Dynamics of Market Behavior	Synchronous (3 hrs) <i>Discussion Forum</i> <i>Q & A about the topic on schedule at the LMS</i> Asynchronous (4.5 hrs) Discussion/Canvas Chat Tool: Reaction Threads to Questions <i>Illustrative Case Study</i>	Submission on Canvas Assignment tool	Online recitation Performance-based Assessment - Problem Solving Online Quiz #1 Assignment #2	3
01 02	II Foreign Exchange Market A. Fundamentals of Foreign Exchange B. Cross Rate Derivation and Application C. Foreign Exchange Transactions 1. Spot 2. Forward 3. FX Swap 4. FX Options	Synchronous (6 hrs) <i>Discussion Forum</i> <i>Q & A about the topic on schedule at the LMS</i> Asynchronous (9 hrs) <i>Video</i> Discussion/Canvas Chat Tool: Reaction Threads to Questions		Online recitation Group Presentation Derivatives Case	4-5
WEEK 6: INDEPENDENT LEARNING 7.5 HRS.					
01 02	III. Money Market A. Banker's Acceptances B. Commercial Papers C. Certificate of Deposits D. Repurchase Agreements E. Interbank Deposits/Loans	Synchronous (3 hrs) <i>Discussion Forum</i> <i>Q & A about the topic on schedule at the LMS</i> Asynchronous (4.5 hrs) <i>Video</i>	Performance-Based Activity - Problem Solving (Individual/Online Group)	Online recitation Performance-based Assessment - Problem Solving	7

		Discussion/Canvas Chat Tool: Reaction Threads to Questions			
01 02	IV. Bond Market A. Fundamentals of Fixed Income B. Fixed Income Valuation C. Bond Dealership in the Philippines D. The Yield Curve, Spot, and Forward Rates E. Interest Rate Risk Measurement F. Fixed Income Transactions	Synchronous (9 hrs) <i>Discussion Forum Q & A about the topic on schedule at the LMS</i> Asynchronous (13.5 hrs) <i>Video</i> Discussion/Canvas Chat Tool: Reaction Threads to Questions <i>Illustrative Case Study</i>	Performance-Based Activity - Problem Solving (Individual/Online Group)	Online recitation Performance-based Assessment - Problem Solving	8-10
03 - 05	V. Asset-Liability Management A. Liquidity Management 1. Liquidity Management 2. Nostro Management 3. Reserve Management B. Rates Portfolio Management 1. Fund Transfer Pricing 2. Assets and Liabilities Committee 3. Interest Rate and Gap Management	Synchronous (3 hrs) <i>Discussion Forum Q & A about the topic on schedule at the LMS</i> Asynchronous (4.5 hrs) <i>Journal Reading Assignments – available online for downloading</i> <i>Video</i> Discussion/Canvas Chat Tool: Reaction Threads to Questions	Financial Plan Presentation	Group Presentation Derivatives Case	11
WEEK 12: INDEPENDENT LEARNING 7.5 HRS					
	VI. Special Topics: A. Treasury Marketing and Distribution (Front-liners) B. Risk Management (Mid-office) 1. Credit and Counterparty Risk 2. Market and Liquidity Risk 3. Operational Risk C. Treasury Operations and Support 1. Settlement and Limits Monitoring 2. Accounting 3. Management Reporting	Synchronous (3 hrs) <i>Discussion Forum Q & A about the topic on schedule at the LMS</i>	Financial Plan Presentation	Group Presentation Financial Analysis	13

		Asynchronous (4.5 hrs) <i>Journal Reading Assignments – available online for downloading</i> <i>Video Discussion/Canvas Chat Tool: Reaction Threads to Questions</i> <i>Discussion/Canvas Chat Tool: Reaction Threads to Questions</i>			
01-05				FINAL EXAMINATION	14

Fourth Hour Activities – Part of asynchronous activities (Total of 14 Hours)

LO	TOPIC	LEARNING ACTIVITIES	REQUIRED OUTPUT	WK NO.	NO. OF HOURS
1,2	Treasury Trading Management	Readings: How Do Treasury Dealers Manage Their Positions? https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr299.pdf	Insight summary	1-4	5
1,3	Forex Management	Ecology of trading strategies in a forex market for limit and market orders https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0208332	Insight summary	4	3
1,3	Bond Market	ASEAN+3 Multi-Currency Bond Issuance Framework: Implementation Guidelines for the Philippines https://www.adb.org/publications/asean3-multi-currency-bond-issuance-framework-philippines	Insight Summary	5	3
1,3	Asset Liability Management	Bank Asset-Liability Management Theory Revisited http://www.sryahwapublications.com/journal-of-banking-and-finance-management/pdf/v1-i1/3.pdf	Insight Summary	7	3

Note: Part of the asynchronous activities

Study Guide

Wk	Resources	Task	Guide Questions/Directions	Book/Journal Title, Video Link	Due
1	Online link	Group Discussion with assigned leader Video #1 – Group 1,3,4 Video #2 Group 2,5,6	What are the concepts, principles or theories that guided bank treasury management/?	Video #1 Treasury Introduction: Lesson 1 https://www.youtube.com/watch?v=6mZWkVUUCgg	1, 2 nd meeting

				Video #2 Bank Treasury Management https://www.youtube.com/watch?v=915fjRw1uVc	
		Concept Mapping Assignment #1	Prepare a concept map in one PPT slide	Journal Reading: Treasury Management of Core Banking Deposits file:///C:/Users/pc/Downloads/JournalofBondTradingManagement-RALewin-ProofCopy.pdf	1, 2 nd meeting
3	Caselet (To be posted on Canvas Module tool)	JP Morgan Chase's Forecasting Accuracy (5%)	Analyze the given situation. Provide answers to the two questions. Provide accurate solutions to your analysis.	Multinational Business Finance, 11 th ed., page 168	4, 2 nd meeting
4	Caselet (To be posted on Canvas Module tool)	Assignment # 2 (Group)	Prepare a foreign exchange risk management strategy: Avon is Calling Asia	Multinational Financial Management, 7 th edition, page 411	7, 1 st meeting
8	Caselet (To be posted on Canvas Module tool)	Foreign Exchange and Derivate Markets - Lufthansa Case (5%)	Calculate the cost of each hedge strategy. Show the risk and return of each hedge strategy. Which hedge strategy is the best and why?	Scenario is available on canvas module and assignment tool.	9, 2 nd meeting
9	Caselet (To be posted on Canvas Module tool)	Assignment # 3	Answer the two questions for critical thinking. Provide accurate solutions to the analysis.	Multinational Financial Management, 7 th edition, page 603	10, 1 st meeting
10 11		Hedging Using Derivatives Group Presentation	Present a derivatives hedging of a selected company.		10, 11, 13 meeting

Note: Other study guides will be made available per week (as the need arise).

Policies

1. Participate in the class session at twice a week.
2. Read the announcement on Canvas at least a night before the class session.
3. Always check the learning tools/files provided on the Canvas module.
4. Assignments and quizzes are available on Canvas Assignment/Quiz tools.
5. Students who cannot go online can access the recorded conference.
6. Acceptance of late assignments/problem exercises submission with deduction.
7. Utilization of the following for academic consultation: canvas chatbox, Messenger, and Gmail.
8. The class will utilize the Canvas platform. The alternative platform/tools will be emails, Facebook Messenger, Google meets, and Google Classroom.
9. A student with problems in terms of connectivity and resources shall inform the professor in advance.
10. Please be respectful at all times (ex: chatbox, conference discussion, email conversation, and FB messenger).

- Attendance is not part of the summative assessment, but complete submission of the course requirements is necessary.
- The final exam and quizzes will be in synchronous mode as possible.
- Copying quiz, examination, project, presentation, or assignment is cheating.
- Please observe honesty at all times.
- Please refer to the Student Handbook on exam policy.

A. References:

Bodie, Z. Kane, A., and Marcus A. (2016). Essentials of Investments (10th edition). Mc Graw-Hill. Singapore.

Bodie, Z. Kane, A., and Marcus A. (2017). Investments (11th edition). Mc Graw-Hill. Singapore.

Choudhry, M. (2007). Bank Asset and Liability Management: Strategy, Trading, Analysis. Wiley. USA.

Choudhry, M. (2011). An Introduction to Banking: Liquidity Risk and Asset-Liability Management. Wiley. West Sussex.

Dermine, J. (2014). Bank Valuation and Value-Based Management: Deposit and Loan Pricing, Performance Evaluation, and Risk Management (2nd edition). McGraw-Hill. USA.

Esty, B. and Tufano, P. (1994). Banc One Corporation. Harvard Business School Case No: 9-294-079.

Fabozzi, F. (2007). Fixed Income Analysis (2nd Edition), CFA Investment Series. Wiley. New Jersey, USA.

Light, J. (1996). The B.F. Goodrich-Rabobank Interest Rate Swap. Harvard Business School Case No: 9-284-080.

Reilly, F., Brown, K. and Leeds, S. J. (2018). Investment Analysis and Portfolio Management (11th edition). Thomson/South-Western.

Rose, P. and Hudgins, S. (2010). Bank Management and Financial Services (8th Edition). McGraw-Hill. USA.

Saunders, A. and Cornett, M. (2017). Financial Institutions Management: A Risk Management Approach (9th Edition). USA: McGraw-Hill.

B. Other References:

Philippine Agencies, SROs, and Bank Associations	International Authorities	News
http://www.bsp.gov.ph (Links to an external site.)	http://www.fed. (Links to an external site.)gov	http://www.bloomberg.com (Links to an external site.)
http://www.treasury.gov.ph (Links to an external site.)	http://www.treasury. (Links to an external site.)gov	http://www.reuters.com (Links to an external site.)
http://www.sec.gov.ph (Links to an external site.)	http://www.nyse.com (Links to an external site.)	http://online.wsj.com (Links to an external site.)
http://www.pdex.com.ph (Links to an external site.)	http://www.ecb.int (Links to an external site.)	http://www.ft.com (Links to an external site.)
http://www.pse.com.ph (Links to an external site.)	http://www.bbalibor.com (Links to an external site.)	http://www.marketwatch.com (Links to an external site.)
http://www.mart.com.ph (Links to an external site.)	http://www.imf.org (Links to an external site.)	http://www.cnbc.com

RVR COB CODE OF ETHICS:

As a business leader, I recognize my role in society.

- My purpose is to lead people and manage resources to promote human development and the common good and to create value that no single individual can create alone.
- My decisions affect the well-being of individuals inside and outside my enterprise, today and tomorrow.

Therefore, I promise that:

1. I will manage with loyalty and care, and will not advance my personal interests at the expense of my enterprise or society.
2. I will promote socially useful products and services which serve human development, keeping in mind reasonable access for the poor and underprivileged.
3. I will understand and uphold, in letter and spirit, the laws and contracts governing my conduct and that of my enterprise.
4. I will refrain from corruption, unfair competition, or business practices harmful to society.
5. I will respect the human rights and dignity of all people affected by my enterprise, and I will oppose discrimination and exploitation.
6. I will promote a humane and enabling work community within my organization.
7. I will promote the just allocation of resources for all stakeholders of the company.
8. I will respect the right of future generations to advance their standard of living and enjoy a healthy planet.
9. I will report the performance and risks of my enterprise accurately and honestly.
10. I will invest in developing myself and others, helping the management profession continue to advance and create sustainable and inclusive prosperity.
11. In exercising my professional duties according to these principles, I recognize that my behavior must set an example of integrity, eliciting trust and esteem from those I serve. I will remain accountable to my peers and to society for my actions and for upholding these standards.

Adapted from:

The Global Business Oath (http://theoathproject.org/?page_id=47)

Vocation of the Business Leader (<http://www.stthomas.edu/cathstudies/cst/VocationBusinessLead/>)

THE COVENANT FOR SHARED PROSPERITY

The COVID-19 pandemic has shaken the very foundations of our society and economy. It has already claimed hundreds of Filipino lives and threatens so many more. The resulting government-imposed quarantines and lockdowns have shut down businesses providing services and products needed by citizens. This, in turn, has led to devastating loss of income for the many whom we depend on for our businesses and organizations to function but who are also the most vulnerable in our communities. Many of these people are now fearful for their lives not just from the virus but from hunger and starvation. Hence, the current national health crisis, while terrible and disruptive for all of us, also leads us to look with compassionate eyes at poverty and inequality as core problems plaguing Philippine society that demand attention from us as the country's business leaders -- during the pandemic and after.

The Philippine Business Groups (PBGs) support the vision of the government, articulated in Ambisyon 2040, which states that "the Philippines shall be a country where all citizens are free from hunger and poverty, have equal opportunities, enabled by a fair and just society that is governed with order and unity. A nation where families live together, thriving in vibrant, culturally diverse and resilient communities." We have 20 years to make this happen.

The PBGs realize that our country, like many other countries around the world, is suffering from gross inequality not only in economic and financial terms but also in the social, environmental and political aspects of our national life. This gross inequality in our society has been with us for generations fueled by greed; illegal and unethical practices; callousness to the needs of our communities, especially those at the bottom of the pyramid; and indifference to Mother Earth by some among us. We seek to end these practices.

We believe that a way to address inequality in all its forms in our society and to enhance the dignity of human beings and, thus, achieve inclusive development is for MAP members and member-companies to collectively mobilize their human, technical, economic and financial resources to ensure ethical wealth creation and the sharing of prosperity with all their stakeholders.

We also encourage all the colleges and universities offering business and business-related courses to inculcate and emphasize among their students -- current and next generation of managers -- the principles and practices of sharing prosperity.

We therefore pledge and commit to:

1. Recruit, train and develop our employees and managers to be the best that they can be irrespective of gender, alma mater, age, ethnicity and religion; provide just compensation and benefits; promote meritocracy and encourage work-life harmony;
2. Provide only quality products and services that are of continuing value to our customers;
3. Treat our goods, service and funds providers fairly, ethically and with respect as we expect them to treat their own workers in their supply chain the same way;
4. Be actively involved in the communities where we operate in with particular attention to the needs of the disadvantaged in those communities;
5. Protect and preserve the environment for the benefit of current and future generations by employing environment friendly technologies in all aspects of business operations; and
6. Deliver reasonable and just returns to and fair treatment of our controlling and non-controlling shareholders.

We pledge to do all these and sign this Covenant for Shared Prosperity on this 5th day of November, 2020.

Prepared by:



Janessa Tan
Faculty

Approved by:

MARYCRIS ALBAO
OIC-Chair, FMD

Noted by:

Dr. Emilina R. Sarreal
Dean, RVR-COB