



University of Benha

Faculty of Commerce

Department of Economics

Module outline of:

E216: Economics of Money and Banking

Lecturer: Dr Doaa Akl Ahmed

Academic year: 2019-2020

Second grade

First term

1. Module aims

The course aims to provide the student with an introduction to the role of money, financial institutions and monetary policy in the economy, thus providing a solid foundation for further study or employment in the financial services industry. There are three main components of the course. The course will cover the main aspects of banks and other financial institutions as well as an investigation of the role of money, central banking and monetary policy. Thus, it presents the evolution of commercial banking, deposit creation, the stock and bonds markets, and the reasons behind world financial crises. Also, great attention will be given to understand the monetary theory.

2. Module delivery:

The course will be taught through three-hour weekly lectures and a one-hour weekly tutorial. Lectures will be used for lecturing and tutorials will discuss the answers of questions sheets.

3. Intended Learning Outcomes

3.1) Knowledge and Understanding:	3.1.1 Outline basic macroeconomic concepts and principles. 3.1.2 Describe the different types of financial markets and the primary financial instruments. 3.1.3 Recognize macroeconomic principles related to decision making in terms of money and banking such as the interest rate structure, expected rates of return, expected inflation, income and price effects. 3.1.4 Identify the key means by which the economy can affect interest rates and in return the money market and the bond market. 3.1.5 Investigate the theoretical foundations and the importance of stock market efficiency. 3.1.6 Investigate simple mathematical, verbal and diagrammatic methods of analysis. 3.1.7 Draw alternative policy responses focusing on contemporary macroeconomic policies while always referring back to some specific macroeconomic model.
3.2) Intellectual Skills:	3.2.1 Subdivide different macroeconomic and microeconomic methodological tools into mathematical and diagrammatical methods of analysis to explain issues related to the subject of money and banking.

	<p>3.2.2 Analyze the characteristics of the financial system, focusing on the banking sector, the stock market, the bond market, and the FOREX.</p> <p>3.2.3 Link money and banking with other social branches both economic and non-economic to facilitate the decision-making process.</p> <p>3.2.4 Interpret key macroeconomic principles to various practical and policy issues.</p> <p>3.2.5 Differentiate between the different types of banks, their activities and the recent trends towards international banking.</p> <p>3.2.6 Infer on financial crises, being able to identify the main sources and the policies and institutional reforms that have to be adopted to mitigate its adverse effects and prevent reoccurrence.</p> <p>3.2.7 Examine different data analysis techniques in analyzing and interpreting international economic phenomenon such prose, tables, and graphs.</p>
<p>3.3) Professional and Practical Skills:</p>	<p>3.3.1 Model calculations of rate of returns of primary financial instruments, present value of stocks and bonds, and expected inflation rates.</p> <p>3.3.2 Show an understanding of monetary policy and the impact it has on the economy.</p> <p>3.3.3 Produce basic financial evaluations for company performance.</p> <p>3.3.4 Use both qualitative and quantitative skills in solving economic problems.</p> <p>3.3.5 Contribute in decision making by acquiring important skills in numeracy, literacy, and information processing.</p>
<p>3.4) General and Transferrable Skills:</p>	<p>3.4.1 Experience with conceptual frameworks effective for problem solving and decision making.</p> <p>3.4.2 Acquire analytical reasoning skills, numeric and clear effective communication skills.</p> <p>3.4.3 Test the ability of students to work under pressure and as part of a team.</p> <p>3.4.4 Read and analyze financial news and reports including stock market prices, foreign exchange rate prices.</p>

4. Course Content

	Main Topic	Chapter No	Teaching hours		Week No.
			Theoretical 3 hrs/week	Tutorial 1 hrs/week	
1	Introductory lecture and course outline	Chapter 1	3 hrs	No tutorials in the first week	1
2	Financial System and Money	Chapters 2 and 3	6 hrs	2 hrs	2-3
3	Monetary theories	Chapter 22	3 hrs	1 hr	4
4	Understanding interest rate	Chapter 4	3hrs	1 hr	5
5	Banking and the Management of Financial Institutions	Chapter 9	6 hrs	2 hrs	6-7
6	Midterm Exam				8
	Banking - continued		3 hrs	1 hr	9
7	The Money Supply	Chapter 15 and 16	6 hrs	2 hrs	10-11
8	Conduct of monetary policy	Chapters 17 and 18	6 hrs	2 hrs	12-13
9	Foreign exchange market	Chapter 19	3 hrs	1 hrs	14
9	Final exam				15

5. Readings:

Mishkin (2017), The Economics of Money, Banking and Financial Markets, twelfth edition (different editions will have different numbers of chapters)

6. Assessment:

The course will be assessed by, a mid-term examination and final examination.

- A mid-term examination on will constitute 20% of the final grade.
- A final examination on will constitute 80% of the final grade.

7. Grading system

34 or below	Very poor
35-49	poor
50-64	pass
65-79	good
80-89	Very good
90-100	Excellent

Course Instructor: Dr Doaa Akl Ahmed