



Benha University
Faculty of Commerce
Department of Economics

Second Grade
Module outline of:
Economics E216

Economics of Money & Banking
First term

Lecturer Dr. Walaa Wageh Diab

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1- Basic Information			
Course Level: Freshman (1 st) Undergraduate	Course Title: Economics of Money & Banking	Course Code: E216	Prerequisite: N/A Principles of Micro & Macro-Economics
Specialization: General			
Contact Hours			
<ul style="list-style-type: none"> • Lecture: 3 hours per week • Tutorial: 1 hour per week <p>Lectures will be used for lecturing and tutorials will discuss the answers of questions sheets.</p> <p style="text-align: center;">Lecture each Monday/Thursday at 9 A.M</p>			
2- Specialized Information			
2.1. Course Aim/s	<p>This course takes a new approach to the money and banking course based on the lectures. It examines the role the banking system plays in individual financial activities and considers the monetary policy-making Principles that shapes the worlds financial system. The approach addresses the modern framework of todays financial system, in which both financial markets and banks play important roles.</p> <p>Thus, this course has three primary goals. First we will study the abstract concept of money in theory, in history, and in recent financial data. For instance, we will address why fiat currency (an intrinsically worthless piece of paper) is valued and serves a key purpose in the functioning of markets. Next we will turn to the role of banks in the economy. We will cover the historical purpose of banking (taking deposits and making loans) and then turn to the vastly more complex banking landscape today. We will cover the shadow banking industry and its role in the financial crisis and recession.specially after Covid 19 pandemic Finally, we will combine the first two sections and study the role of the central Banks / in managing monetary policy and overseeing the banking system. We will cover the traditional monetary policy tools central bank has historically used, but pay special attention to the highly publicized and unconventional policy tools employed during the financial crisis.all what is discussed will be applied on the Egyptian economy as possible as we can.</p> <p>Course Objectives:</p> <ol style="list-style-type: none"> 1. Identify functions of money and how money is related to interest rates; how interest rates are determined; behavior of interest rates; risk and term structures of interest rates; 2. Understand importance of financial markets and financial institutions in the economy;operations of depository institutions; why they are regulated; 3. Explain how a nation’s money supply is determined; tools of monetary policy, role of central banks and the Federal Reserve System, conduct of monetary policy. 4. Apply all on Egyptian Economy. 		

3- Intended Learning Outcomes:	
By the end of the course, students should be able to:	
3.1. Knowledge and Understanding:	<p>3.1.1 Learn about the functions of money, why and how it promotes economic efficiency, and discover how its form has evolved over time.</p> <p>3.1.2. Gain a better understanding of how changes in interest rates affect consumers, businesses, financial institutions, and the overall economy.</p> <p>3.1.3. recognize the theoretical foundations of demand and supply in Bond and Money Market, with more knowledge about the interest rate structure, expected rates of return, expected inflation, Liquidity income and price level effects.</p> <p>3.1.3. Define the monetary policy tools and strategies.</p> <p>3.1.4 Advance student understanding of the role of the central bank and their importance to the financial system as well as economy.</p>
3.2. Intellectual Skills:	<p>3.2.1 learn how to Pay more attention to Time and the opportunity cost to understand well how to optimize the decisions.</p> <p>3.2.2 how one should think about markets and how should tackle the current challenges.</p> <p>3.2.3 Critically assess the performance of the monetary policy of the economy</p> <p>3.2.4 Use the theories of money and banking to analyze the monetary risks and opportunities</p> <p>3.2.5 Appraise some of the current and emerging issues both domestically and internationally.</p>
3.3. Professional and Practical Skills:	<p>3.3.1 Apply course concepts to real-world and hypothetical economic shocks and conduct economic research and analysis.</p> <p>3.3.2 Identify, formulate and solve macroeconomic issues.</p> <p>3.3.3 Identify, assess and evaluate monetary policies.</p> <p>3.3.4 Implement and review the process of money and deposit creation</p>
3.4. General and Transferrable Skills:	<p>3.4.1 Develop monetary policies</p> <p>3.4.2 Adopt the economic analysis that was taken before to integrate knowledge in this subject.</p> <p>3.4.3 Analyze economic problems of monetary dimensions.</p> <p>3.4.4 Formulate and apply monetary policies</p>

4- Course Content					
Main Topic	Chapter No	Teaching hours		Week No.	
		Lecture	Tutorial		
1 Course Introduction and Overview Discuss Course Syllabus - Basic concepts - Core Principles of Money and Banking		3-hour Face to Face		1	
2 What is Money? - Meaning of Money – The Need for Money, Types of Money, and Functions of Money	3	3-hour Face to Face	1 hour	2	
3 - Evolution of the Payments System	3	3-hour Face to Face	1 hour	3	
4 Understanding interest rate - Measuring Interest Rates (Present Value, Current Yield) - Four Types of Credit Market Instruments - Yield to Maturity (Simple Loan, Fixed-Payment Loan, Coupon Bond, Discount Bond) - Current Yield - Yield on a Discount Basis	4	3-hour Face to Face	1 hour	4	
5 The Behavior of Interest Rates - Determinants of Asset Demand. - Supply and Demand in the Bond Market - Changes in Equilibrium Interest Rates - Changes in Equilibrium Interest Rates in the Liquidity Preference Framework	5	3-hour Face to Face	1 hour	5	
6 The Behavior of Interest Rates - Supply and Demand in the Market for Money: - The Liquidity Preference Framework .	5	3-hour Face to Face		6	
7 The Risk and Term Structure of Interest Rates - Risk Structure of Interest Rates - Term Structure of Interest Rates.	6	3-hour Face to Face	1 hour	7	
8 Midterm Exam				8	
9 - Recap: Meaning of Financial System, Function of financial Markets, Structure of Financial Markets - Asymmetric Information: Adverse Selection and Moral Hazard	2	3-hour Face to Face	1 hour	9	

10	<p>Monetary Theory</p> <p>Quantity theory, inflation, and demand for money</p> <ul style="list-style-type: none"> - Fisher's Quantity Theory of Money Demand - Keynesian Theories of Money Demand 	19	3-hour Face to Face	1 hour	10
11	<p>Monetary Theory</p> <p>Quantity theory, inflation, and demand for money(cont.)</p> <ul style="list-style-type: none"> - Portfolio Theories of Money Demand - Baumol-Tobin Model - Friedman's Quantity theory of Money 	19	3-hour Face to Face	1 hour	11
12	<ul style="list-style-type: none"> - Central Banks and the Federal Reserve System - CBE 	13	3-hour Face to Face	1 hour	12
13	<p>The Money Supply Process</p> <ul style="list-style-type: none"> - Three Players in the Money Supply Process - Control of the Monetary Base 	14	3-hour Face to Face	1 hour	13
14	<p>The Money Supply Process</p> <ul style="list-style-type: none"> - Multiple Deposit Creation: A Simple Model - Factors That Determine the Money Supply - The Money Multiplier 	16	3-hour Face to Face	1 hour	14
15	<p>The Conduct of Monetary Policy: Strategy and Tactics</p> <ul style="list-style-type: none"> - The Price Stability Goal and the Nominal Anchor - Other Goals of Monetary Policy 	16	3-hour Face to Face	1 hour	15

5- Teaching and Learning Methods:

No.	Teaching / Learning Method	Selected Methods
1	Interactive Lectures including discussion	√
2	Tutorials	√
3	Self-Study (Project / Reading Materials / Online Material)	√
4	Seminars	--
5	Case Studies	√
6	Problem Solving	√
7	Others (Specify)	



6- Assessment Methods, Schedule and Grade Distribution:				
No.	Assessment Method	Selected	Week No.	Marks %
1	Midterm Exam (s)	√	8	10
2	Final Exam	√	15	80
3	Quizzes	√	--	4
4	Assignments	√	2,6,11	2
5	Presentations	--	--	0
6	Individual Projects	--	--	--
7	Research and Reporting	--	--	--
8	Team Work Projects	--	--	--
10	Others (Participation)	--	--	4

Details of the assessment

Multiple Choice

Candidates answer all 20 multiple-choice questions at Midterm Exam, and 80 in the final Exam

1- University Grading system	
34 or below	Very poor
35-49	Poor
50-64	Pass
65-79	Good
80-89	Very good
90-100	Excellent



2- List of Books and References:	
Essential Textbooks	Mishkin (2017), The Economics of Money, Banking and Financial Markets, twelfth edition (different editions will have different numbers of chapters)
Course Notes	Notes will be distributed to the students throughout the semester via faculty channel and instructor web page in university portal.
Extra Recommended Books	Will be shared later through URL links

3- Tools and Facilities Required for Teaching and Learning:	
Facility	Lecture
White Board	√
PC/Laptop	
Data-Show	√
Laser Pointer	
Internet	√
Printer	
Copier	

4- Plagiarism Policy:
<p>Plagiarism, in the school's jargon called "copying and pasting", is the intentional act of replicating someone else's work (be it text, ideas, images, or any non-common knowledge) without referring to the source. One can also self-plagiarize through submitting his/her own work to more than one course without clearly notifying the professor.</p> <p>Students submitting paper/assignment/presentation with plagiarized content will automatically receive a failing grade for their work.</p> <p>Refer to the instructor for more information about how to avoid plagiarism.</p>

Course Instructor	Head of the Department
Dr. Walaa Wageh Mohamed Diab	