

**INSTITUTE OF BUSINESS ADMINISTRATION
KHWAJA FAREED UNIVERSITY OF ENGINEERING AND INFORMATION
TECHNOOLOGY, RAHIM YAR KHAN**

Course: Money and Banking

Course Code: MSCI-4104

Course Description:

This course explores a wide range of topics involving money, financial institutions and financial markets, and the links between the financial sector and the central bank. We also examine the importance of banks and other financial institutions in the economy, and how information asymmetries and regulation have shaped their evolution. Specific topics surveyed include the role of money and the financial system in promoting economic welfare, the behaviour of bond and stock market prices and investment returns, the role of commercial banks in the economy, the regulation of financial institutions and the tools of central banks. This course also studies the role of the central bank, which includes the use of monetary policy to mitigate financial market instability and to promote growth in the economy. Furthermore, given the high degree of global financial market integration, we also investigate the links between Pakistan's financial system and the international financial system, in part through exchange rate movements.

1. Learning Outcomes:

- Gain a better understanding of the Pakistani banking sector, financial markets and their interaction with the broader economy
- Increase familiarity with how financial markets, such as bond and stock markets, operate, and learn how they may promote economic efficiency
- Advance your understanding of the role of the central bank and how monetary policy can influence growth and fluctuations in the economy
- Learn about the functions of money, why and how it promotes economic efficiency, and discover how its form has evolved over time
- Gain a better understanding of how changes in interest rates affect consumers, businesses, financial institutions, and the overall economy
- Understand how foreign exchange markets operate and why exchange rates are important, and the main factors that affect exchange rates in the long run

- Advance your understanding of how financial systems around the world contributed to the decade-old global financial crisis and great recession
- Improve competence working with economic and financial market data
- Apply course concepts to real-world and hypothetical economic shocks and conduct economic research and analysis
- Retrieve, analyze, and interpret the economic and finance literature and provide policy recommendations
- Communicate effectively through written reports, oral presentations and discussion

2. Course Objectives:

The first objective is to develop a basic understanding of the financial system: how it operates and why it plays a central role in the economy. Second objective is to analyze in detail the aims, conduct, influence and limitations of monetary and fiscal policies.

3. Course Outline

Lecture #	Topics	Week	Quiz / Assignment
1&2	MONEY AND THE FINANCIAL SYSTEM	1st & 2nd Week	Assignment 1
3&4	OVERVIEW OF THE U.S. FINANCIAL SYSTEM	3rd Week	
5&6	MULTINATIONAL ENTERPRISES	4th Week	Assignment 2
7&8	INTERNATIONAL BANKS	5th Week	
9&10	FINANCIAL INSTITUTIONS	6th Week	Assignment 3
11&12	FINANCIAL STATEMENTS AND THE VALUE OF MONEY	7th Week	Assignment 4
15&16	Class Presentations-1	8th Week	Class Presentations
17&18	Mid Term Exams	9th Week	
19&20	VALUATION OF STOCKS AND BONDS	10th Week	

21&22	DETERMINING THE MARKET INTEREST RATES	11th Week	
23&24	RISK AND TERM STRUCTURE OF INTEREST RATES	12th Week	
25&26	THE BANKING BUSINESS	13th &	Quiz 1
27&28	MONETARY POLICY TOOLS	14th Week	Quiz 2
29&30	Presentations-2	15th Week	Class Presentations
31&32	Final Exams	16th Week	

4. Assessment Criteria

Mid Term Examination	25%
Sessional Marks	25%
Quizzes	10%
Assignments / Presentations	10%
Class Participation	2.5%
Attendance	2.5%
Final Paper	50%
TOTAL	100%

5. Recommended Books

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