

**Course Title: Money, Banking & Finance****Course Objectives:**

The purpose of this course is to educate the students about money market and general banking practice. To enable the students to use acquired knowledge in their practical life. To maintain and operate bank accounts for personal and business benefits and best use of available funds.

**Prerequisites:**

Study of basic course of economics & business

<b>Course Contents</b>	
Origin & Introduction of Barter system. Inconveniences of barter system.	Moneyless economy & its drawbacks
Origin, stages & functions of money, near money & its types. Role of money in capitalistic & socialistic economies.	Money plays important role in every economy
Paper money its kinds, merits & demerits. Principles & methods of note issue.	Basic methods of note issue in different countries
Value of money & determination of its value, quantity theory of money, Demand & supply of money, factors determining its quantity.	Meaning of value of money & related theories
Changes in the value of money, Inflation & deflation its types, causes & effects.	Inflation & deflation and their social and moral consequences
Control of inflation & related problems, Reflation, Stagflation, disinflation.	Tools of monetary policy to control inflation
Foreign exchange, methods of international payments, kinds of foreign exchange rates.	Foreign exchange concerned with settlement of international indebtedness
Determination of rate of exchange by demand & supply techniques, factors causing changes in exchange rate.	Demand & supply effect on foreign exchange rate
Money market & capital market its functions, participants & instruments. development finance institution (DFIs)	Study of financial markets
Origin & definition of banks, primary & secondary functions of commercial banks. Balance sheet of the bank.	Introduction of banks, accepts deposits and advance loan
Meaning of credit creation, its possibilities, methods, process & limitations on the power of banks to create credit.	Multiple expansion of bank deposits by credit creation
Kinds of banks & importance, sources of funds, various types of bank accounts,	Study different specialized financial institutions
Banker- customer relationship, duties & rights of banker & customer, refusal of payment on cheque.	Banker-customer relationship
General principles for advancing loan, use of funds, advances & investments.	basic principles for advancing loan
Central banking its functions, monetary policy its objectives & methods of control	Central bank & its policy matters
Letter of credit, its definition, parties, types, opening	Study the letter of credit as the

procedure of L/C & importance	basic instrument use in international trade
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**Teaching Methods:** Lectures, discussions, presentations, quiz & assignments

**Assessment Mechanism/Criteria**

40% (40 Marks)	Internal Assessment by affiliated institution	*15Marks for Assignments, Quizzes and others **25 Marks for Mid-term Exam
60% (60Marks)	External Assessment by the Punjab University	Final Term Examination

**Suggested Readings:**

1. Money banking & finance by Dr. Hassan Mobeen Alam
2. Money banking & finance by Nasir Sarfraz
3. Money banking in Pakistan by S.A. Menan

**Additional Readings:**

Banking companies ordinance 1962, SBP Act 1956, State bank directions issued time to time.