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| Program | BS Business Education |
| Credit Hours | 3 rd |
| Pre-requisite | None |
| Course Title | BSBE 320 Money Banking and Finance |
| Introduction | In the wake of recent financial crisis, monetary system has grown out of historical circumstances. Economic analysis convinces us that to some extent our institutions cannot be other than what they are. For example, we may not have to use paper currency, but clearly some kind of medium of exchange is essential to run any economic system. Once conventions establish themselves as institutions, they dictate what purposes in fact can be served. An important objective of this course is to investigate the principal financial institutions involved in our macro economy. This course provides an overall perspective on the monetary and financial institutions. Monetary institutions can only be understood if one knows the magnitudes of the economic variables associated with them. |
| Learning Outcome | <p>INDENTED LEARNING OUTCOMES</p> <p>By the end of this course it is expected that the student will be able to understand:</p> <ol style="list-style-type: none"> 1. concept of the money, money demand & supply 2. Monetary theories the impact of monetary variables on real variables 3. The role of central bank and Instruments of monetary policy 4. the concept of trade deficit, exchange rates, and the impact of capital inflows 5. (and capital outflows) 6. The Islamic perspective on money and banking |
| Course Content | <p>MONEY:</p> <ol style="list-style-type: none"> 7. Nature 8. Definition and Functions. 9. Types of Money 10. Evolution of Fiat Money <p>DEMAND FOR MONEY:</p> <ol style="list-style-type: none"> 11. The transactions precautionary and speculative motives. 12. Factors affecting the demand for money. <p>SUPPLY OF MONEY: TYPES OF MONEY:</p> <ol style="list-style-type: none"> 13. The concept M1 to M4 14. The process of money creation and sources. <p>MONETARY THEORIES</p> <ol style="list-style-type: none"> 15. The crude Quantity Theory 16. Modern Quantity Theory 17. Inventory Theoretic Approach <p>CENTRAL BANKING</p> <ol style="list-style-type: none"> 18. Functions of central bank 19. The central reserve system 20. Modern banking and creation of money. |

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| | <ul style="list-style-type: none"> Control of Credit & money by the Central Bank and the instruments used for it <p>COMMERCIAL BANKING:</p> <ul style="list-style-type: none"> Commercial bank and its functions Commercial banks and payment system Commercial banks and money stock The organizations and structure of banks Lending to business firms Policies and procedures <p>FOREIGN EXCHANGE AND TRADE</p> <ul style="list-style-type: none"> Foreign exchange determination Theory of international trade Import/export and letters of credit Trade financing <p>Islamic Perspective of money and banking</p> | | | | | | | | | | |
| References | <p>TEXT/REFERENCE BOOKS</p> <p>Mishkin, Frederic. S, <i>The Economics of Money and Banking and Financial Markets</i>, 8th edition, Pearson Education</p> <p>Meenai, S. A. <i>Money and Banking in Pakistan</i>. Karachi, Oxford University Press.</p> <p>Lucket, D. G., <i>Money & Banking</i>. McGraw Hill.</p> <p>Cowen, T. and A. Tabarrok (2015). <i>Modern Principles of Economics</i>. Worth Publishers, New York, NY 10010.</p> <p>Frakt, A. and M. Piper (2014). <i>Microeconomics Made Simple: Basic Microeconomic Principles</i> LLC.</p> | | | | | | | | | | |
| Teaching/ Learning Strategies | <p>Lecture</p> <p>Multimedia presentations</p> <p>Cooperative Learning</p> <p>Non creditor workshops and seminars.</p> <p>Active Learning</p> <p>Summaries and reflection of the lecture</p> <p>Complete course assessment includes all the content in practical form and submit portfolio before final assessment</p> | | | | | | | | | | |
| Evaluation Criteria | <p>Course Evaluation</p> <table> <tr> <td>Assignments</td> <td>20</td> </tr> <tr> <td>Mid Semester Test</td> <td>25</td> </tr> <tr> <td>Final Project</td> <td>15</td> </tr> <tr> <td>Final Test</td> <td>40</td> </tr> <tr> <td>Total</td> <td>100</td> </tr> </table> | Assignments | 20 | Mid Semester Test | 25 | Final Project | 15 | Final Test | 40 | Total | 100 |
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