

<b>Name of the course</b>	<b>Money and Banking</b>
<b>Course Code</b>	210
<b>Semester</b>	IV
<b>Credit Hours</b>	3
<b>Prerequisite</b>	-
<b>Learning outcomes</b>	By the end of this course, students will be able to: 1. Understand the main elements of the financial system and describe the roles played by different financial assets and players in this system;

	<ol style="list-style-type: none"> <li>2. Outline and give a detailed justification of the main goals of monetary policy; Assess the relative merits of different countries' monetary policy institutions; Analyze monetary policy using the New-Keynesian macroeconomic model;</li> <li>3. Critically discuss a whole range of current macroeconomic issues, especially pertaining to the recent financial crises; Conduct individual and collaborative research using actual data and other resources;</li> <li>4. Understand the legal and regulatory environment of Pakistan;</li> <li>5. Articulate the basic philosophy of Islamic banking and finance and be familiar with the major contemporary practices and products; Obtain official data on macroeconomic issues and use Excel, Stata and other tools to analyze such data; Express their view about pertinent monetary and financial issues in a clear way both orally and in writing. Demonstrate familiarity with key theoretical tools that can be used to analyze issues within Money and Banking.</li> </ol>
<b>Contents</b>	<p><b>Unit- 1 Introduction</b></p> <ol style="list-style-type: none"> <li>1.1 Why study Money and Banking?</li> <li>1.2 An Overview of the Financial Markets</li> <li>1.3 What is Money</li> </ol> <p><b>Unit- 2 Financial Markets</b></p> <ol style="list-style-type: none"> <li>2.1 Understanding Interest Rates</li> <li>2.2 The Behavior of Interest Rates</li> <li>2.3 The Risk and Term Structure of Interest Rates</li> <li>2.4 The Stock Market, the Theory of Rational Expectations, and the Efficient Market Hypothesis</li> </ol> <p><b>Unit- 3 Financial Institutions</b></p> <ol style="list-style-type: none"> <li>3.1 An Economic Analysis of Financial Structure</li> <li>3.2 Banking and, Management of Financial Institutions</li> <li>3.3 Economic Analysis of Financial Regulation</li> <li>3.4 Banking Industry: Structure and Competition</li> <li>3.5 The Financial Sector and Crises</li> </ol> <p><b>Unit- 4 Central Banking and the Conduct of Monetary Policy</b></p> <ol style="list-style-type: none"> <li>4.1 Central Banks</li> <li>4.2 The Money Supply Process</li> <li>4.3 The Tools of Monetary Policy</li> <li>4.4 The Conduct of Monetary Policy: Strategy and Tactic</li> </ol> <p><b>Unit- 5 Monetary Theory</b></p> <ol style="list-style-type: none"> <li>5.1 Quantity Theory, Inflation, and the Demand for Money</li> <li>5.2 The New-Keynesian Model and</li> <li>5.3 Macroeconomic Policy</li> <li>5.4 Monetary Policy Theory and Applications</li> <li>5.5 The Role of Expectations in Monetary Policy</li> <li>5.6 Transmission Mechanism of Monetary Policy</li> <li>5.7 Issues in Monetary Policy</li> </ol>

	<p><b>Unit- 6 International Finance and Monetary Policy</b></p> <p>6.1 The Foreign Exchange Market</p> <p>6.2 The International Financial System</p> <p><b>Unit- 7 Legal and Regulatory Framework of Banking Sector in Pakistan</b></p> <p>7.1 Prudential Regulations for Infrastructure Project Finance (IPF)</p> <p>7.2 Prudential Regulations for SME Financing, effective from December 31 2017</p> <p>7.3 Prudential Regulations for Agriculture Financing</p> <p>7.4 Prudential Regulations for Corporate/ Commercial Banking (Revised till January 2015)</p> <p>7.5 Prudential Regulations for Consumer Financing (as of August 03, 2016)</p> <p>7.6 Prudential regulations for Micro Finance Banks</p> <p>7.7 Prudential Regulations for Housing Finance</p>
<b>Teaching &amp; Learning Strategies</b>	A combination of lecturing, presentations, and discussions will be used to conduct the course. Students will be expected to read extensively ahead of each class session and actively participate in discussions and practical work.
<b>Assignment</b>	Written assignment (10 marks), presentation (5 marks) and Quiz (10 marks)
<b>Suggested Readings</b>	<p>Andolfatto, D., Berentsen, A., &amp; Martin, F. M. (2020). Money, Banking, and Financial Markets. <i>The Review of Economic Studies</i>, 87(5), 2049-2086.</p> <p>Brandl, M. (2020). <i>Money, banking, financial markets &amp; institutions</i>. Cengage Learning.</p> <p>Mishkin, F. S., &amp; Serletis, A. (2018). <i>The economics of money, banking and financial markets</i> (7<sup>th</sup> ed.). Pearson Canada Inc.</p> <p>Visser, H. (2019). <i>Islamic finance: Principles and practice</i>. Edward Elgar Publishing.</p>

### Assessment and Examinations

Sr. #	Elements	Weightage	Details
1	Midterm Assessment	35%	Written test (at the mid-point of the semester)
2	Formative Assessment	25%	Assignment, presentation and quiz
3	Final Assessment	40%	Written test (at the end of the semester)