

Faculty of Economics & Political Science

Money and Banking

Information :

Course Code : ECO 202

Level : Undergraduate

Course Hours : 3.00- Hours

Department : Department of Economics

Instructor Information :

| Title | Name | Office hours |
|--------------------|--------------------------------------|--------------|
| Lecturer | Heba Elsayed Mohamed Elsayed Tolba | |
| Lecturer | Heba Ashraf Ahmed Mekawy | |
| Teaching Assistant | Manal Osama Abbas Abdelzaher Shehata | |

Area Of Study :

This course will discuss the importance of money and banking to economic activity on both the national and international level. The student will be able to identify the definition and functions of money, money supply and its determinants, demand for money as well as the use of monetary policy to achieve economic stability with special reference to Egypt as a case study. Students will get exposed to the evolution of commercial banking, deposit creation, the stock and bonds markets, and the reasons behind world financial crises. The course also includes the relationship between money and banking and Macroeconomic theory, concluding with the importance of money and banking in both international trade and finance.

Course Goals:

- Estimate macroeconomic variables such as Gross Domestic Product, GDP and CPI deflators, the present value of prices of stocks and bonds, balance of payments, and rates of return on equity.
- Explain economic issues related to the nature and key functions of the banking system.
- Develop analytical and research skills to understand the various financial risks confronting the sector, and means of managing such risks.
- Appraise the money supply process, and the monetary policy tools used.
- Distinguish between different branches of Economics and diverse economic tools keeping in mind the link between the interdisciplinary economic branches.
- Familiarize the students with the global financial crises, its main sources, and policies adopted by different developed and developing economies—lessons learnt.
- Link between mathematical expressions and money and banking schemes.

Description :

This course is concerned with identifying the definition and functions of money, money supply and its determinants, demand for money, as well as the use of the monetary policy to achieve economic stability, with a special reference to the Egyptian case. It introduces students to the meaning and functions of the financial system, focusing on the banking sector with its different types, and regulations as well as linking between the inclusion of the financial system and the economic growth of the country.

Course outcomes :

a. Knowledge and Understanding: :

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| 1 - | Outline basic macroeconomic concepts and principles. |
| 2 - | Describe the different types of financial markets and the primary financial instruments. |
| 3 - | Recognize macroeconomic principles related to decision making in terms of money and banking such as the interest rate structure, the rational expectation theory used in the stock market, expected rates of return, expected inflation, income and price effects. |
| 4 - | Identify the key means by which the economy can affect interest rates and in return the money market and the bond market. |
| 5 - | Investigate the theoretical foundations and the importance of stock market efficiency. |
| 6 - | Investigate simple mathematical, verbal and diagrammatic methods of analysis. |
| 7 - | Draw alternative policy responses focusing on contemporary macroeconomic policies while always referring back to some specific macroeconomic model. |

b. Intellectual Skills: :

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| 1 - | Subdivide different macroeconomic and microeconomic methodological tools into mathematical and diagrammatical methods of analysis to explain issues related to the subject of money and banking. |
| 2 - | Analyze the characteristics of the financial system, focusing on the banking sector, the stock market, the bond market, and the FOREX. |
| 3 - | Link money and banking with other social branches both economic and non-economic to facilitate the decision making process. |
| 4 - | Interpret key macroeconomic principles to various practical and policy issues. |
| 5 - | Differentiate between the different types of banks, their activities and the recent trends towards international banking. |
| 6 - | Infer on financial crises, being able to identify the main sources and the policies and institutional reforms that have to be adopted to mitigate its adverse effects and prevent reoccurrence. |
| 7 - | Examine different data analysis techniques in analyzing and interpreting International economic phenomenon such prose, tables, and graphs. |

c. Professional and Practical Skills: :

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| 1 - | Model calculations of rate of returns of primary financial instruments, present value of stocks and bonds, and expected inflation rates. |
| 2 - | Show an understanding of monetary policy and the impact it has on the economy. |
| 3 - | Produce basic financial evaluations for company performance. |
| 4 - | Use both qualitative and quantitative skills in solving economic problems. |
| 5 - | Contribute in decision making by acquiring important skills in numeracy, literacy, and information processing. |

d. General and Transferable Skills: :

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| 1 - | Experience with conceptual frameworks effective for problem solving and decision making. |
| 2 - | Acquire analytical reasoning skills, numeric and clear effective communication skills. |
| 3 - | Test the ability of students to work under pressure and as part of a team. |
| 4 - | Read and analyze financial news and reports including stock market prices, foreign exchange rate prices. |

Course Topic And Contents :

| Topic | No. of hours | Lecture | Tutorial / Practical |
|---|--------------|---------|----------------------|
| Introductory lecture and course outline -Financial System and Money | 15 | 3 | 3 |

Course Topic And Contents :

| Topic | No. of hours | Lecture | Tutorial / Practical |
|--|--------------|---------|----------------------|
| Banking Operations | 15 | 3 | 3 |
| Midterm Exam | | 1 | |
| Financial Supervisory and Regulatory Framework | 10 | 2 | 2 |
| Money and Monetary Policy | 15 | 3 | 3 |
| Finance, Growth and Financial Crises | 10 | 2 | 2 |
| Final Exam | | 1 | |

Teaching And Learning Methodologies :

Data show and computer in lectures.

Group discussion.

Course Assessment :

| Methods of assessment | Relative weight % | Week No | Assess What |
|------------------------------|-------------------|---------|--|
| Assignments | 10.00 | | |
| Attendance and Participation | 10.00 | | To assess understanding. |
| Final Exam | 40.00 | 15 | To assess knowledge and intellectual skills. |
| Midterm Exam | 20.00 | 7 | To assess professional skills. |
| Quizzes | 10.00 | | To assess theoretical background of the intellectual and practical skills. |
| Tutorial Grades | 10.00 | | |

Periodicals :

- 1.Sahar Nasr, The Egyptian Banking System Post January 25th Revolution, Cambridge Business and Economics Conference (CBEC), University of Cambridge, 2011.
- 2.Sahar Nasr, Access to Finance and Economic Growth in Egypt, The World Bank, 2010
- 3.Sahar Nasr. Determinants of Banking System Soundness and Sources of Vulnerability, Oxford University, 2007.
- 4.The World Bank, Finance for All: Policies and Pitfalls in Expanding Access, The World Bank, Washington D.C. 2008.