



Course Specifications

Course Title:	Money and Banking
Course Code:	ECON 207
Program:	Bachelor Degree (B.S.)
Department:	Finance
College:	College of Business Administration
Institution:	Prince Sultan University

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A. Course Identification

1. Credit hours: 3
2. Course type
a. University <input type="checkbox"/> College <input checked="" type="checkbox"/> Department <input type="checkbox"/> Others <input type="checkbox"/>
b. Required <input checked="" type="checkbox"/> Elective <input type="checkbox"/>
3. Level/year at which this course is offered: 2019- 2 nd Semester
4. Pre-requisites for this course (if any): ECON 103
5. Co-requisites for this course (if any): None

6. Mode of Instruction (mark all that apply)

No	Mode of Instruction	Contact Hours	Percentage
1	Traditional classroom	45	100%
2	Blended		
3	E-learning		
4	Correspondence		
5	Other		

7. Actual Learning Hours (based on academic semester)

No	Activity	Learning Hours
Contact Hours		
1	Lecture	45
2	Laboratory/Studio	
3	Tutorial	
4	Others (specify)	
	Total	45
Other Learning Hours*		
1	Study	115
2	Assignments	10
3	Library	
4	Projects/Research Essays/Theses	10
5	Others (specify)	
	Total	135

* The length of time that a learner takes to complete learning activities that lead to achievement of course learning outcomes, such as study time, homework assignments, projects, preparing presentations, library times

B. Course Objectives and Learning Outcomes

1. Course Description

The course covers main topics of the banking system, and the role of money and interest rates in the economy. This course focuses on theories and current issues relating to money, banking and financial institutions. Topics include: financial instruments and their purposes; asset pricing, the determination and behavior of interest rates and exchange rates; the management, structure and regulation of the banking system; the role of the central bank in the determination of money supply, interest rates, and economic goals; the money-creation process; the effect of money and credit on output, employment, and inflation. Monetary policy and how central banks conduct it. Other topics include foreign exchange market and monetary theory. It is expected that students will find this course attractive, stimulating and enlightening.

2. Course Main Objective

This course focuses on theories and current issues relating to money, banking and financial institutions. The main objective is for students to gain a deep understanding of how money and banking works in the modern economy. Topics include: financial instruments and their purposes; asset pricing, the determination and behavior of interest rates and exchange rates; the management, structure and regulation of the banking system; the role of central banks in the determination of money supply with focus on the Federal Reserve and SAMA, interest rates, and economic goals; the money-creation process; the effect of money and credit on output, employment, and inflation; the conduct of monetary policy and how the policy works to achieve economic objectives.

3. Course Learning Outcomes

CLOs		Aligned PLOs
1	Knowledge:	
1.1	Define theoretical and practical concepts in money and banking	PLO1
2	Skills :	
2.1	Calculate bond and equity prices	PLO2
2.2	Describe the different kinds of bank risks and bank management	PLO2
3	Competence:	
3.1	Communicate ideas through oral presentations	PLO4a
3.2	Demonstrate ability to collect, analyze and interpret data	PLO2, PLO5

C. Course Content

No	List of Topics	Contact Hours
1	Chapter 1: Why Study Money, Banking, and Financial Market -Why Study Financial Market -Why Study Financial Institutions and Banking	1.5

	<ul style="list-style-type: none"> -Why Study Money and Monetary Policy -Why Study International Finance -How we will study money, banking and financial market 	
2	<p>Chapter 3: What is Money</p> <ul style="list-style-type: none"> -Meaning of Money -Functions of Money -Measuring Money (M1 and M2) 	1.5
3	<p>Chapter 4: The meaning of interest</p> <ul style="list-style-type: none"> -Measuring interest rate -The distinction between interest rates and returns -The distinction between real and nominal interest rates 	5
4	<p>Chapter 5: The behavior of interest rates</p> <ul style="list-style-type: none"> -Determinants of assets demand - Supply and demand in the bond market -Changes in equilibrium interest rates -Supply and demand in the market for money -Changes in equilibrium interest rate 	6
5	<p>Chapter 9 Banking and the Management of Financial Institution</p> <ul style="list-style-type: none"> -The bank balance sheet -Basic banking -General principles of bank management -Managing credit risk -Off-balance-sheet activities 	5
6	<p>Chapter 15 The money supply process</p> <ul style="list-style-type: none"> -Three players in the money supply process -The Fed's balance sheet -Control of monetary base -Multiple deposit creation -Factors that determine the money supply -Overview of money supply process -the money multiplier 	5
7	<p>Chapter 16 Tools of monetary policy</p> <ul style="list-style-type: none"> -Conventional monetary policy tools 	3

	-Nonconventional monetary policy tools and quantitative easing	
8	Chapter 18 The Foreign Exchange Market - Foreign exchange market - Exchange rate in the long run - exchange rate in the short run - Explaining changes in exchange rate	3
9	Chapter 20 Quantity Theory, Inflation, and the Demand for Money - Quantity theory of money - Budget deficits and inflation - Keynesian theories of money and demand	3
10	Chapter 21 The IS Curve - Goods market equilibrium - Factors that shift the IS Curve	3
11	Chapter 22 The monetary policy and aggregate demand curves - The monetary policy curve - The aggregate demand curve	3
12	Chapter 23 & Appendix Aggregate Demand and Supply Analysis and the Phillips Curve - Aggregate demand and supply curves - Changes in Equilibrium: Aggregate Demand Shocks - Changes in Equilibrium: Aggregate Supply (Inflation) Shocks - The Phillips Curve	3
13	Chapter 24 Monetary Policy Theory - Response of Monetary Policy to Shocks - Causes of inflationary monetary policy - Monetary policy at the Zero lower bound	3
Total		45

D. Teaching and Assessment

1. Alignment of Course Learning Outcomes with Teaching Strategies and Assessment Methods

Code	Course Learning Outcomes	Teaching Strategies	Assessment Methods
1.0	Knowledge		
1.1	Define theoretical and practical concepts in money and banking	- Lectures - Tutorials	Direct: - Quizzes - Exam Indirect: - Course Exit Survey
2.0	Skills		
2.1	Calculate bond and equity prices	- Lectures - Tutorials - In class exercises using scientific calculator	Direct: - Examinations Indirect: - Course Exit Survey
2.2	Describe the different kinds of bank risks and bank management	- Lectures - In class exercises using T account analysis	Direct: - Examinations Indirect: - Course Exit Survey
3.0	Competence		
3.1	Communicate ideas through oral presentations	- Teamwork presentation.	Direct: - Group assignments and project Indirect: - Course Exit Survey
3.2	Demonstrate ability to collect, analyze and interpret data	- In class exercises using T account analysis - Team work project - In class exercises using scientific calculator	Direct: - Examinations - Project Indirect: - Course Exit Survey

2. Assessment Tasks for Students

#	Assessment task*	Week Due	Percentage of Total Assessment Score
1	Major 1	6 th week	20%
2	Quizzes	Ongoing	10%
3	Major 2	Week 12 th	20%
4	Project	Ongoing	5%
5	Assignments	Ongoing	5%
6	Final Examination	Sunday, May 10 th 2020	40%

*Assessment task (i.e., written test, oral test, oral presentation, group project, essay, etc.)

E. Student Academic Counseling and Support

Arrangements for availability of faculty and teaching staff for individual student consultations and academic advice:

Faculty is available in office hours at least 6 hours per week. Students can make appointments for outside the assigned hours.

F. Learning Resources and Facilities

1. Learning Resources

Required Textbooks	Mishkin, (2016), <u>The Economics of Money, Banking, and Financial Markets</u> . Pearson, 11 th Edition
Essential References Materials	Research papers covering this field are published by the Federal Reserve Bank of San Francisco, which can be found at http://www.frbsf.org/ . Other Federal Reserve Banks provide similar products and data.
Electronic Materials	<ul style="list-style-type: none"> • https://data.worldbank.org/ • http://www.sama.gov.sa • http://www.cma.org.sa • http://www.tadawul.com.sa • http://www.IMF.org
Other Learning Materials	LMS: All information, materials, rubrics and announcements will be through Moodle.

2. Facilities Required

Item	Resources
Accommodation (Classrooms, laboratories, demonstration rooms/labs, etc.)	<ul style="list-style-type: none"> • Lecture room • Multimedia with PC • Whiteboard
Technology Resources (AV, data show, Smart Board, software, etc.)	<ul style="list-style-type: none"> • Smart board
Other Resources (Specify, e.g. if specific laboratory equipment is required, list requirements or attach a list)	N/A

G. Course Quality Evaluation

Evaluation Areas/Issues	Evaluators	Evaluation Methods
Effectiveness of teaching and assessment	Students, Instructor	<ul style="list-style-type: none"> - Course exit survey - Examinations - Class observation

Evaluation Areas/Issues	Evaluators	Evaluation Methods
Extent of achievement of course learning outcomes	Students, Instructor	<ul style="list-style-type: none"> - Course exit survey - Examinations - Class observation - PLO-CLO Achievement and Assessment report

Evaluation areas (e.g., Effectiveness of teaching and assessment, Extent of achievement of course learning outcomes, Quality of learning resources, etc.)

Evaluators (Students, Faculty, Program Leaders, Peer Reviewer, Others (specify))

Assessment Methods (Direct, Indirect)

H. Specification Approval Data

Council / Committee	<i>Ayphasaw</i>
Reference No.	AY19/20 – 5 – 192/1
Date	26/3/2020