



# University of Management and Technology

School of Commerce and Accountancy

Quaid e Azam Campus

## Course Outline

<b>Course Title: Money and Banking</b> <b>(FN-301)</b>	
<b>Program</b>	
<b>Credits Hours</b>	3
<b>Duration</b>	15 Weeks / 30 Sessions
<b>Prerequisites</b>	Principles of Economics (EC -212)
<b>Resource Person</b>	
<b>Contact/Email</b>	

**Course Description:**

The course is designed to equip students with the comparative knowledge of a financial system and its regulatory framework in Pakistan and in a developed economy. On completion of the course, the students should be able to demonstrate an understanding of the subject matter and financial environments in Pakistan. This course offers a comprehensive exploration of the revolutionary developments occurring in the world's financial markets and institutions —i.e., innovation, globalization, and deregulation—with a focus on the actual practices of financial institutions, investors, and financial instruments.

**Learning Objectives:**

After studying this course the students will be able to:

1. To understand the money and banking functions.
2. To develop skills to analyze and design and efficient business relation with banks.
3. To learn about the decision making process in the field of banking.
4. To learn about the fundamental ideas underlying the preparation of financial instruments.
5. To learn the profession of banking and it's specialized fields.

**Teaching-Learning Methodology:**

- Lectures
- Recommended Text/Supplementary Texts
- Handouts
- Case Studies

**Recommended Text Book:**

1. The Economics of Money, Banking,  
and Financial Markets

Latest Edition

By Frederic S. Mishkin

**Supplementary Text Books:**

1. Financial Markets and Institutions

5<sup>th</sup> Edition

By: Peter Howells, Kieth Bain

2. Introduction to the Financial System,

Latest Edition

By: Chris Terry, Tiffany Hutcheson, Ben  
Hunt

3. Money & Capital Markets

Ninth Edition

By: Peter S. Rose

4. Foundation of Financial Markets  
Institutions

3<sup>rd</sup> Edition

By: Frank J. Fabozzi, Franco Modigliani,

**Assessment & Evaluation:**

Quizzes	<b>15%</b>
Assignments	10%
Presentations	10%
Mid Term	<b>25%</b>
<u>End Term Exam</u>	<b><u>40%</u></b>
<b>Total:</b>	<b>100</b>

## **SCHEDULE OF ACTIVITIES**

Week	Contents/Topics to be Taught	Tasks/Activities
1	<b>Studying Financial Markets and Institutions</b> <ul style="list-style-type: none"> <li>• Why &amp; How study Financial Markets:</li> <li>• Functions of financial Markets</li> <li>• Types of markets</li> <li>• Financial markets in Pakistan</li> </ul>	Course Outline Distribution
2	<b>Financial Assets, Money, Financial Transactions, and Institutions</b> <ul style="list-style-type: none"> <li>• Characteristic and types of financial assets</li> <li>• The value of money and inflation</li> <li>• Financial intermediaries and financial institutions</li> </ul>	Assignment 1
3	<b>Introduction to Money Market</b> <ul style="list-style-type: none"> <li>• The Money Markets Defined</li> <li>• Why Do We Need Money Markets?</li> <li>• The Purpose of the Money Markets</li> <li>• Money market instruments by SBP</li> </ul>	Quiz 1
4-5	<b>Money Market Instruments</b> <ul style="list-style-type: none"> <li>• Certificates of Deposit, Eurocurrency Deposits</li> <li>• Bankers' Acceptance, Commercial Papers</li> <li>• Federal agency securities</li> <li>• Market Participants (dealers)</li> <li>• Role of Primary Dealers</li> <li>• Role of Government Agencies</li> </ul>	Assignment 2
6-7	<b>The Roles and Services of the Federal Reserve (State Bank of Pakistan)</b> <ul style="list-style-type: none"> <li>• The roles of central bank</li> <li>• The goals and channels of central bank</li> <li>• How SBP is organized</li> <li>• The key focus of central bank monetary policy – interest rate, reserves</li> </ul>	Quiz 2
8	<b>MID TERM EXAMINATION</b>	
9	<b>The Tools and Goals of Central Bank Monetary policy</b> <ul style="list-style-type: none"> <li>• Credit control and its types</li> <li>• Interest rate targeting</li> <li>• Economic goals and the trade-offs</li> <li>• Limitations of monetary policy</li> </ul>	Assignment 3
10-11	<b>The Commercial Banking Industry and SBP Regulations</b> <ul style="list-style-type: none"> <li>• The structure of commercial banking</li> <li>• Fund management institutions</li> <li>• Mutual funds, life insurance companies, medical insurance companies, pension funds, saving companies</li> <li>• Consumer financing</li> </ul>	Quiz 3
12-13	<b>Business Borrowing (Capital Markets)</b> <ul style="list-style-type: none"> <li>• Bonds and stock markets</li> <li>• IPO's and secondary markets – role of stock exchanges (KSE)</li> <li>• Types of corporate stocks</li> <li>• 1st, 2nd, and 3rd markets</li> <li>• Market efficiency</li> <li>• International exposure through ECN's, and NASDAQ</li> </ul>	Assignment 4
14	<b>Consumer Lending and Borrowing</b> <ul style="list-style-type: none"> <li>• Consumers as lenders, borrowers</li> <li>• Debit and credit cards</li> <li>• Factors considered in making consumer loans</li> </ul>	Quiz 4

	<ul style="list-style-type: none"> <li>• Buying power, social differences, and the role of consumer financing in Pakistan</li> </ul>	
15	<b>Islamic Banking</b> <ul style="list-style-type: none"> <li>• Compare Conventional and Islamic Banking</li> <li>• Growth of Islamic Banking</li> <li>• Types of Islamic banking Facilities</li> </ul>	Presentations
16	<b>END TERM EXAMINATION</b>	