



Kuwait University
College of Business Administration
Economics Department



Course Syllabus
ECON 240 – Money and Banking¹
(ECON 212 – Money and Banking)²
Fall 2022
Dr. Maytham Abdulraheem

Lecture Time and Location

Mon Wed, 3:30 PM – 4:45 PM, Room 1001-C2

Contact Information

Location: Economics Department – 3rd Floor – Zone A – Office No. 1073

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Office Hours: Mon Wed, 12:45 PM – 1:45 PM and by appointment

Course Description

This is an introductory course on the basic concepts of money, banking, financial institutions, and financial markets. The course enables students to understand the main functions of money, banking, and financial markets and their respective roles in economic activity. The course also focuses on monetary policy tools and their role in regulating the work of banks and other financial institutions. It also deals with the role of interest and exchange rates, as well as the determinants of money supply, and theories of demand for money.

Prerequisites

For students admitted starting from the 2021/2022 academic year:

ECON 140 (Principles of Macroeconomics)

For students admitted before the 2021/2022 academic year:

ECON 111 (Principles of Macroeconomics)

Tutorial

Attending tutorials is strongly recommended. Students will practice solving problems based on what they have learned in lectures. All tutorial sessions follow the same unified schedule, and they are not linked to specific instructors.

For students admitted starting from the 2021/2022 academic year:

Attend the tutorial session that you have registered for

For students admitted before the 2021/2022 academic year:

Follow your instructor's guidance

Course Learning Objectives (CLOs)

¹ For students admitted starting from the 2021/2022 academic year

² For students admitted before the 2021/2022 academic year

Upon successful completion of the course, students will be able to:

CLO1. Describe the development and functions of money as well as differentiate between different measures of money.

CLO2. Distinguish between the different types of financial markets, institutions and instruments.

CLO3. Analyze the problems of asymmetric information, adverse selection and moral Hazard in financial markets and ways to reduce their scale and effect.

CLO4. Describe the operational mechanism of banking institutions, their asset and liability management, their balance sheet, and their relationship with the monetary authority.

CLO5. Recognize the importance of monetary policy, the goals and targets of central banks, the use of different monetary tools, and their impacts on the money supply.

CLO6. Describe the function of foreign exchange markets as well as exchange rate policies and their impact on foreign trade and economic growth.

CLO Mapping to CBA Skill Based Competency Goals³

CLO	Competency Goal			
	Analytical	Communication	Information Technology	Business Ethics
1	R			
2	I			
3				I
4	R			
5	R			
6	I			

Type of Emphases:

- **(I)ntroduce:** Students will be introduced to the skill and their grasp of it assessed in the course.
- **(A)pply:** The course will not cover the skill. Students should have a high-level grasp of the skill and are required to apply it in the course.
- **(R)einforce:** Students should have an introductory-level grasp of the skill and the course will improve their mastery to a higher level.

Required Material

Textbook: Mishkin, Frederic S., *The Economics of Money, Banking, and Financial Markets*, Global Edition (11th edition or later), Pearson.

Additional Material: Lecture slides are available on MS Teams. All lecture slides are based on the required textbook above.

E-Learning System: Moodle.

Course Website: <http://moodle.ku.edu.kw>

Course Requirements

- **Assignments and Quizzes:** Expect an in-class quiz and/or homework after every chapter.
- **Participation:** Participating in class discussions will deepen your understanding of the concepts you learn in class and it affects your grade.

³ CBA Competency Goals can be found at the end of this document

- **Class Preparation:** The assigned textbook is the ultimate resource in this course. Reading the chapters assigned in the course outline is the best way to prepare for each class and for the exams.

Course Policies

- **Attendance and Participation:** Every student in this course must abide by the Kuwait University Policy on Attendance (published in the Curriculum System Bylaws, Chapter 3, Section 13). A copy of the student guide can be accessed online on:

http://vpaa.ku.edu.kw/en/documents/KU%20ByLaws/Students/Curriculum_Regulations.pdf

- **Cheating and Plagiarism:** Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Curriculum System Bylaws, Chapter 3, Section 14). A copy of the student guide can be accessed online on:

http://vpaa.ku.edu.kw/en/documents/KU%20ByLaws/Students/Curriculum_Regulations.pdf

Please carefully note all sources and assistance when you turn in your work. Under no circumstances should you take credit for work that is not yours. You should neither receive nor give any unauthorized assistance on any deliverable. If you have any questions about what constitutes “unauthorized assistance” please email me before the deliverable is submitted.

Grading

The scores in this course will be the weighted average of the following items:

Weight	Description
10%	Attendance and Participation
20%	Quizzes/Homework
20%	Midterm
50%	Final Exam
100%	TOTAL

Grade Distribution

Grade	Range
A	≥ 95
A-	≥ 90 and < 95
B+	≥ 87 and < 90
B	≥ 83 and < 87
B-	≥ 80 and < 83
C+	≥ 77 and < 80
C	≥ 73 and < 77
C-	≥ 70 and < 73
D+	≥ 65 and < 70
D	≥ 60 and < 65
F	< 60

Course Outline

Title	Topics	Chapter	Week (Tentative)
Why Study Money, Banking, and Financial Markets?	All topics in the chapter	1	1
An Overview of the Financial System	All topics in the chapter	2	2
What Is Money?	All topics in the chapter	3	3
The Meaning of Interest Rates	All topics in the chapter	4	4—5

Banking and the Management of Financial Institutions	All topics in the chapter	9	5—6
The Money Supply Process	All topics in the chapter	15	7
Tools of Monetary Policy	All topics in the chapter	16	8—9
The Conduct of Monetary Policy: Strategy and Tactics	All topics in the chapter	17	9—10
The Foreign Exchange Market	All topics in the chapter	18	11
Quantity Theory, Inflation, and the Demand for Money	All topics in the chapter	20	12
Monetary Policy Theory	All topics in the chapter	24	13

Important Dates

Date	Event
TBD	Midterm Exam
3/1/2023	Final Exam

CBA Competency Goals

1. **Analytical Competency:** A CBA graduate will be able to use analytical skills to solve business problems and make a well-supported business decision.

Student Learning Objectives:

- 1.1. Use appropriate analytical techniques to solve a given business problem.
- 1.2. Critically evaluate multiple solutions to a business problem.
- 1.3. Make well-supported business decisions.

2. **Communication Competency:** A CBA graduate will be able to communicate effectively in a wide variety of business settings.

Student Learning Objectives:

- 2.1. Deliver clear, concise, and audience-centered presentations.
- 2.2. Write clear, concise, and audience-centered business documents.

3. **Information Technology Competency:** A CBA graduate will be able to utilize Information Technology for the completion of business tasks.

Student Learning Objectives:

- 3.1. Use data-processing tools to analyze or solve business problems.

4. **Ethical Competency:** A CBA graduate will be able to recognize ethical issues present in business environment, analyze the tradeoffs between different ethical perspectives, and make a well-supported ethical decision.

Student Learning Objectives:

- 4.1. Identify the ethical dimensions of a business decision.
- 4.2. Recognize and analyze the tradeoffs created by application of competing ethical perspectives.
- 4.3. Formulate and defend a well-supported recommendation for the resolution of an ethical issue.

5. **General Business Knowledge:** A CBA graduate will be able to demonstrate a basic understanding of the main business disciplines' concepts and theories.

Student Learning Objectives:

- 5.1. Acquire a fundamental understanding of knowledge from the main business disciplines (e.g. finance, accounting, marketing, and management information systems, among others).