



Kuwait University
College of Business Administration
Department of Economics



MONEY AND BANKING
(ECON212/ECON240)

Spring 2021/2022

Instructor:	Ebrahim Alebrahim	Time:	13:00-13:50
Email:	ebrahim.alebrahim@ku.edu.kw	Location:	1008 CG
Website:	www.ealebrahim.com		
Office Hours:	10:00-10:45 or by appointment	Office No.:	1074

Course Pages:

<https://moodle.ku.edu.kw>, and MS Teams.

References:

The primary textbook for the course is

- Mishkin, Frederic S., *The Economics of Money, Banking, and Financial Markets*, Eleventh edition (or later), 2016

Additional recommended references:

- Rothbard, Murray. *The mystery of banking*, Second edition, 2008.

Course description:

The evolution of money; its essence and functions. The monetary systems, the financial system, interest rates, commercial banks: their balance sheets, functions, and their role in the creation of money. The central bank: its balance sheet and role in setting monetary policy, the money multiplier, the monetary base, and money supply. Money demand, money and inflation, exchange rates and the role of money in economic activity. The course also includes a brief description of the banking sector in Kuwait and the role of the Central Bank of Kuwait.

Course Learning Objectives (CLOs):

1. Describe the development and functions of money as well as differentiate between different measures of money.
2. Distinguish between the different types of financial markets, institutions and instruments.
3. Analyze the problems of asymmetric information, adverse selection and moral Hazard in financial markets and ways to reduce their scale and effect.



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4. Describe the operational mechanism of banking institutions, their asset and liability management, their balance sheet, and their relationship with the monetary authority.
5. 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.
6. Describe the function of foreign exchange markets as well as exchange rate policies and their impact on foreign trade and economic growth.

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

Types of Emphasis:

- **(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.

Prerequisites:

- Principles of Microeconomics (ECON 110)
- Principles of Macroeconomics (ECON 111)

Grading Policy:

- Quizzes(20%)
- Midterm (30%)
- Final (50%)

Important Dates:

- First Major Quiz 31/03/2022 13:00-13:50
- Midterm 12/05/2022 13:00-13:50
- Second Major Quiz 26/05/2022 13:00-13:50
- Final Exam as stated in the portal



Grade Distribution

A	A-	B+	B	B-	C+	C	C-	D+	D	F
95-100	90-94	87-89	84-86	80-83	77-79	73-76	70-72	65-69	60-64	Below 60

Course Policies:

- **Attendance and Participation:** Every student in this course must abide by the Kuwait University Policy on Attendance (published in the Student Guide, Chapter 3, Section 13). A copy of the student guide can be accessed online on: http://www.ku.edu.kw/cs/groups/ku/documents/ku_content/kuw055940.pdf
- **Cheating and Plagiarism:** Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Student Guide, Chapter 3, Section 2).
- **Communication Methods:** Both MS Teams, and Moodle will be used in the course. Announcements will be posted in the general channel of the course module in MS Teams. Grades will be posted in Moodle.

Writing style:

Students must refer to APA writing style for any writing assignments.

Course Outline

Chapter	Date	Remark
Course Overview	6/03/2022	
Introduction (Ch1)	8/03/2022	
Financial System (Ch2)	13/03/2022	
Money (Ch3)	17/03/2022	
Interest Rate (Ch4)	22/03/2022	
First Major Quiz	31/03/2022	On Ch1,2,3, and 4
Bank Management (Ch9)	3/04/2022	
Money Supply Process (Ch15)	14/04/2022	
Tools of Monetary Policy (Ch16-17)	21/04/2022	
Midterm	12/05/2022	On Ch1,2,3,4, 9, and 15
Foreign Exchange (Ch18)	15/05/2022	
Quantity Theory (Ch20)	22/05/2022	
Second Major Quiz	26/05/2022	On Ch16,17,18,20
Monetary Theory Policy (Ch24)	29/05/2022	



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).