

SUBJECT TITLE: Money, Banking & Finance (242201)
COURSE TEACHER: Md. Humayun Reza (T-03) & Md. Mahbulul Alam (T-07)

Chapter No & Chapter Title	Number of Classes with Class Title	Learning Outcomes At the end of the class the students would be able to
1. Money (T-03)	1. Definition and Types of Money.	<p style="text-align: center;">Lower-Order Learning Outcomes:</p> <ol style="list-style-type: none"> 1. Define money and its primary functions: Students will be able to define money as a medium of exchange that facilitates transactions and serves as a unit of account, a store of value, and sometimes, a standard of deferred payment. Wikipedia 2. Identify and describe the main types of money: Students will be able to identify and describe the main types of money, including commodity money (money with intrinsic value, such as gold or silver), representative money (money backed by a physical commodity), fiat money (money without intrinsic value, established as money by government regulation), and fiduciary money (money that depends for its value on the trust that it will be accepted as a medium of exchange). <p style="text-align: center;">Higher-Order Learning Outcomes:</p> <ol style="list-style-type: none"> 3. Analyze the evolution from commodity money to fiat money: Students will analyze the historical transition from commodity money to fiat money, examining the factors that led to the adoption of fiat currencies and the implications for economic systems. Study.com+2Wikipedia+2European Central Bank+2 4. Evaluate the advantages and disadvantages of different types of money: Students will evaluate the benefits and drawbacks of various types of money, considering aspects such as stability, inflation susceptibility, and the role of government backing in maintaining public trust and economic stability. Investopedia.
	2. Functions of Money	<p style="text-align: center;">Lower-Order Learning Outcomes:</p> <ol style="list-style-type: none"> 1. Identify the primary functions of money: Students will be able to list and describe the primary functions of money, including its

		<p>roles as a medium of exchange, unit of account, store of value, and standard of deferred payment.</p> <p>2. Explain how money serves as a medium of exchange: Students will be able to explain that money facilitates transactions by eliminating the need for a double coincidence of wants, thereby simplifying trade and increasing economic efficiency. <u>UH Pressbooks</u></p> <p>Higher-Order Learning Outcomes:</p> <p>3. Analyze the importance of money as a store of value: Students will analyze how money's ability to retain value over time allows individuals to save and defer consumption, and how inflation can impact this function.</p> <p>4. Evaluate the effectiveness of money as a unit of account in diverse economic systems: Students will evaluate how money provides a standard measure for pricing goods and services, facilitating comparison and accounting, and assess challenges that arise in economies with unstable currencies.</p>
	<p>3. Demand and Supply of Money</p>	<p>Lower-Order Learning Outcomes:</p> <p>1. Define the demand for money: Students will be able to define the demand for money as the desired holding of financial assets in the form of money (cash or bank deposits) rather than investments, motivated by factors such as transactions, precautionary, and speculative purposes. <u>Wikipedia</u></p> <p>2. Explain the factors influencing the supply of money: Students will be able to explain that the supply of money is determined by central bank policies (such as open market operations and reserve requirements) and the behavior of financial institutions, which influence the total amount of money circulating in the economy. <u>Investopedia</u></p> <p>Higher-Order Learning Outcomes:</p> <p>3. Analyze the relationship between interest rates and money demand: Students will analyze how changes in interest rates affect the quantity of money demanded, recognizing that higher interest rates may decrease money demand as individuals and businesses prefer interest-bearing assets, while lower rates may increase money</p>

		<p>demand due to the lower opportunity cost of holding money. <u>Saylor Academy</u></p> <p>4. Evaluate the impact of monetary policy on economic stability: Students will evaluate how central bank actions that alter the money supply can influence inflation, employment, and economic growth, assessing the effectiveness of such policies in achieving macroeconomic stability.</p>
	4. Determination of Interest Rate	<p>Lower-Order Learning Outcomes:</p> <p>1. Define the concept of interest rates: Students will be able to define interest rates as the cost of borrowing money, typically expressed as a percentage of the principal, which lenders charge borrowers for the use of assets.</p> <p>2. Describe the basic factors influencing interest rate determination: Students will be able to describe how interest rates are determined by the equilibrium between the supply of money (controlled by central banks) and the demand for money (from individuals and businesses), along with other factors such as inflation expectations and economic conditions.</p> <p>Higher-Order Learning Outcomes:</p> <p>3. Analyze the impact of central bank policies on interest rates: Students will analyze how central bank actions, such as open market operations and changes in reserve requirements, influence the money supply and, consequently, the equilibrium interest rate in the economy.</p> <p>4. Evaluate the relationship between interest rates and macroeconomic indicators: Students will evaluate how fluctuations in interest rates affect key macroeconomic indicators like inflation, investment, and economic growth, and assess the implications for monetary policy decisions.</p>
2. Corporate Finance (T-07)	5. Foundations of Corporate Finance.	<p>1. Define the three core decisions in corporate finance.</p> <p>2. Analyze how firms organize their balance sheets and why capital structure matters.</p> <p>3. Evaluate the impact of financing choices on firm value.</p>

	6. Risk, Value, and Incentives.	<ol style="list-style-type: none"> 1. Apply options theory to value corporate claims under uncertainty. 2. Identify and assess conflicts of interest within corporate structures. 3. Explore mechanisms to align incentives between stakeholders
	7. Modern Perspectives and Strategic Goals.	<ol style="list-style-type: none"> 1. View the firm through a modern contractual and institutional lens. 2. To know how managerial behavior impacts strategic decisions. 3. Evaluate the role of financial markets in corporate governance and valuation.
5. Analysis of Statement (T-03)	8. Balance Sheet	<p>Lower-Order Learning Outcomes:</p> <ol style="list-style-type: none"> 1. Define a balance sheet and its purpose: Students will be able to define a balance sheet as a financial statement that provides a snapshot of a company's financial position at a specific point in time, detailing its assets, liabilities, and shareholders' equity. <u>DOKKA+1Investopedia+1</u> 2. Identify and describe the key components of a balance sheet: Students will be able to identify and describe the three main sections of a balance sheet—assets, liabilities, and shareholders' equity—and understand how they interrelate according to the accounting equation: $Assets = Liabilities + Shareholders' Equity$. <p>Higher-Order Learning Outcomes:</p> <ol style="list-style-type: none"> 3. Analyze a company's financial health using balance sheet data: Students will analyze a company's liquidity, solvency, and financial stability by examining balance sheet components and calculating relevant financial ratios, such as the current ratio and debt-to-equity ratio. 4. Evaluate the implications of balance sheet structures on business decisions: Students will evaluate how different compositions of assets, liabilities, and equity can influence strategic business decisions, risk assessment, and long-term financial planning.
	9. Income Statement.	<p>Lower-Order Learning Outcomes:</p> <ol style="list-style-type: none"> 1. Define the purpose and structure of an income statement: Students will be able to

		<p>explain that an income statement, also known as a profit and loss (P&L) statement, is a financial document that summarizes a company's revenues, expenses, and profits or losses over a specific period, providing insights into its financial performance. TD Bank+3Swoop Funding+3Investopedia+3</p> <p>2. Identify and describe the key components of an income statement: Students will be able to list and define the main sections of an income statement, including revenues, cost of goods sold (COGS), gross profit, operating expenses, operating income, and net income, understanding how each component contributes to the overall financial picture. BDC.ca+1Investopedia+1</p> <p>Higher-Order Learning Outcomes:</p> <p>3. Analyze a company's financial performance using income statement data: Students will be able to assess a company's profitability and operational efficiency by examining income statement figures, calculating relevant financial ratios such as gross profit margin and operating margin, and interpreting trends over time. rmahq.org</p> <p>4. Evaluate the implications of income statement trends on business decision-making: Students will be able to interpret changes in income statement components, such as shifts in revenue or operating expenses, and evaluate how these trends can influence strategic decisions, resource allocation, and future financial planning.</p>
	<p>10. Cash Flow Statement.</p>	<p>Lower-Order Learning Outcomes:</p> <p>1. Define the purpose and structure of a cash flow statement: Students will be able to explain that a cash flow statement is a financial document that provides a detailed summary of a company's cash inflows and outflows over a specific period, highlighting its liquidity and cash management.</p> <p>2. Identify and describe the three main components of a cash flow statement: Students will be able to list and define the three primary sections—operating activities, investing activities, and financing activities—and understand the types of cash transactions recorded in each. Investopedia+2Corporate Finance</p>

		<p><u>Institute+2Harvard Business School</u> <u>Online+2</u></p> <p>Higher-Order Learning Outcomes:</p> <ol style="list-style-type: none"> Analyze a company's cash flow statement to assess financial health: Students will be able to examine the cash flow statement to evaluate the company's liquidity position, operational efficiency, and cash management strategies, identifying trends and potential concerns. Evaluate the implications of cash flow patterns on business decision-making: Students will be able to interpret how variations in cash flow from operating, investing, and financing activities can influence strategic decisions, such as budgeting, investment planning, and assessing the need for external financing.
<p>4. Capital Budgeting (T-07)</p>	<p>11. Inter-temporal Consumption and Interest Rates.</p>	<ol style="list-style-type: none"> Define how individuals and firms make consumption choices over time. Analyze how changes in interest rates influence consumption and saving. Apply economic reasoning to consumption planning.
	<p>12. Lending, Borrowing, and Interest Calculations.</p>	<ol style="list-style-type: none"> Grasp the foundational principles behind lending and borrowing. Calculate and interpret simple and compound interest in various contexts. To know the cost of borrowing and the value of investing over time.
	<p>13. Investment Decision-Making Tools.</p>	<ol style="list-style-type: none"> Apply NPV to evaluate investment opportunities. To know the logic and limitations of the payback period. Distinguish between value-creating and value-destroying projects
	<p>14. Alternative Investment Evaluation Techniques.</p>	<ol style="list-style-type: none"> Use the discounted payback method for better investment timing analysis. Evaluate projects using AAR and understand its accounting-based nature. Critically assess which evaluation method is most suitable in various scenarios.

<p>5. Valuation of Securities (T-03)</p>	<p>15. Stocks, Bonds, Zero Coupon and Coupon.</p>	<p>Lower-Order Learning Outcomes:</p> <ol style="list-style-type: none"> 1. Define stocks and bonds: Students will be able to define stocks as shares representing partial ownership in a company, and bonds as debt instruments through which investors lend money to entities in exchange for periodic interest payments and the return of principal at maturity. 2. Differentiate between coupon bonds and zero-coupon bonds: Students will be able to distinguish between coupon bonds, which provide regular interest payments to bondholders, and zero-coupon bonds, which are issued at a discount and pay no periodic interest, instead offering a return through the difference between the purchase price and the face value at maturity. <p>Higher-Order Learning Outcomes:</p> <ol style="list-style-type: none"> 3. Analyze the risk and return profiles of stocks versus bonds: Students will analyze the differing risk and return characteristics of stocks and bonds, considering factors such as market volatility, interest rate changes, and issuer creditworthiness, to understand their respective roles in an investment portfolio. 4. Evaluate the suitability of coupon and zero-coupon bonds for various investment strategies: Students will evaluate how the choice between investing in coupon bonds versus zero-coupon bonds aligns with specific financial goals, time horizons, and tax considerations, assessing scenarios where one may be preferred over the other.
	<p>16. Annuity, Growing Annuity.</p>	<p>Lower-Order Learning Outcomes:</p> <ol style="list-style-type: none"> 1. Define the concept of an annuity: Students will be able to explain that an annuity is a financial contract between an individual and an insurance company, wherein the individual makes a lump-sum payment or a series of payments, and in return, receives regular disbursements, either immediately or in the future. <u>American Academy of Actuaries</u> 2. Identify the key characteristics of a growing annuity: Students will be able to describe a growing annuity as a series of periodic payments that increase at a constant rate over a specified period, distinguishing it from

		<p>fixed annuities where payments remain constant. Annuity Expert Advice</p> <p>Higher-Order Learning Outcomes:</p> <ol style="list-style-type: none"> Analyze the financial implications of choosing a growing annuity over a fixed annuity: Students will assess how opting for a growing annuity, with payments that increase over time, can impact long-term financial planning, particularly in relation to inflation and purchasing power. Evaluate scenarios where a growing annuity is preferable to other retirement income options: Students will evaluate various financial situations to determine when a growing annuity would be more advantageous compared to fixed annuities or other retirement income strategies, considering factors such as expected inflation rates and individual retirement goals.
	<p>17. Perpetuity, Growing Perpetuity.</p>	<p>Lower-Order Learning Outcomes:</p> <ol style="list-style-type: none"> Define the concept of a perpetuity: Students will be able to explain that a perpetuity is a financial instrument that provides an infinite series of equal cash flows, continuing indefinitely without an end date. Investopedia+2YouTube+2Wall Street Prep+2 Describe the characteristics of a growing perpetuity: Students will be able to describe a growing perpetuity as a stream of cash flows that not only continue indefinitely but also increase at a constant rate over time. Fineable <p>Higher-Order Learning Outcomes:</p> <ol style="list-style-type: none"> Analyze the present value calculation of a perpetuity and a growing perpetuity: Students will analyze how the present value of a perpetuity is determined by dividing the periodic cash flow by the discount rate, and how the present value of a growing perpetuity adjusts this formula to account for the constant growth rate of cash flows. Investopedia Evaluate the practical applications of perpetuities and growing perpetuities in financial decision-making: Students will evaluate scenarios where perpetuities and growing perpetuities are utilized, such as in

		<p>valuing certain types of bonds or assessing the long-term value of investments with perpetual, growing cash flows. .</p>
	<p>18. Dividend Discount Model (DDM).</p>	<p>Lower-Order Learning Outcomes:</p> <ol style="list-style-type: none"> 1. Define the Dividend Discount Model (DDM): Students will be able to explain that the DDM is a valuation method used to estimate the intrinsic value of a company's stock by discounting expected future dividend payments to their present value. 2. Identify the assumptions and limitations of the DDM: Students will be able to list the key assumptions underlying the DDM, such as constant dividend growth, and discuss its limitations, including its applicability primarily to companies with stable dividend policies. <p>Higher-Order Learning Outcomes:</p> <ol style="list-style-type: none"> 3. Calculate and interpret stock value using the DDM: Students will be able to apply the DDM formula to determine the value of a common stock, given estimates of future dividends and an appropriate discount rate, and interpret the results in the context of investment decisions. CFA Institute 4. Compare the DDM with other valuation models: Students will be able to evaluate the advantages and disadvantages of the DDM relative to alternative valuation approaches, such as discounted cash flow models, and identify scenarios where each model is most applicable.
	<p>19. The Estimation of the Parameters in the DDM.</p>	<p>Lower-Order Learning Outcomes:</p> <ol style="list-style-type: none"> 1. Identify the key parameters used in the Dividend Discount Model (DDM): Students will be able to list and define the essential components of the DDM, including dividends per share (D_1), required rate of return (r), and dividend growth rate (g). Wikipedia 2. Explain the significance of each parameter in the DDM valuation: Students will describe how each parameter influences the estimated intrinsic value of a stock, understanding the role of dividends, growth expectations, and required returns. <p>Higher-Order Learning Outcomes:</p>

		<ol style="list-style-type: none"> 3. Apply various estimation methods to determine the required rate of return (r): Students will utilize techniques such as the maximum likelihood method, Bayesian method, and Kalman filtering to calculate the required rate of return on equity, applying these methods to real-world data. 4. Analyze the sensitivity of DDM valuations to changes in parameter estimates: Students will assess how variations in dividend growth rates and required returns impact the intrinsic value calculated by the DDM, interpreting the model's sensitivity to these parameters.
6. Risk and Return (T-07)	20. Understanding and Measuring Returns.	<ol style="list-style-type: none"> 1. Differentiate between various types of returns. 2. Calculate arithmetic and geometric average returns. 3. Understand how past performance informs return expectations
	21. Defining and Measuring Risk	<ol style="list-style-type: none"> 1. Define risk in a financial context and explain its significance. 2. Calculate variance and standard deviation of security returns. 3. Use data to assess and compare the risk of different assets
	22. Linking Risk and Return.	<ol style="list-style-type: none"> 1. Calculate expected return under various scenarios. 2. know the trade-off between risk and return in decision-making. 3. Apply risk and return concepts to assess investment attractiveness.
7. Banking (T-03)	23. Principles of Banking, Role of Banks.	<p>Lower-Order Learning Outcomes:</p> <ol style="list-style-type: none"> 1. Define the basic principles of banking: Students will be able to explain the core principles of banking, including deposit-taking, lending, and the creation of money through fractional reserve banking. 2. Describe the primary functions of banks: Students will identify and describe the key roles of banks, such as facilitating payments, providing loans, offering savings accounts, and supporting economic growth through financial intermediation.

		<p>Higher-Order Learning Outcomes:</p> <ol style="list-style-type: none"> Analyze the role of banks in economic development: Students will evaluate how banks contribute to the economy by mobilizing savings, allocating credit, and supporting investments that drive growth, employment, and innovation. Critically assess the impact of banking regulations on the role of banks in financial markets: Students will analyze how regulatory frameworks, such as capital adequacy requirements and consumer protection laws, influence the operations of banks and their ability to serve both individual clients and the broader economy.
	<p>24. Balance Sheet of Central Bank and Private Bank.</p>	<p>Lower-Order Learning Outcomes:</p> <ol style="list-style-type: none"> Define the components of a central bank's balance sheet: Students will be able to identify and describe the primary assets and liabilities of a central bank, such as government securities, foreign currency reserves, currency in circulation, and bank reserves. Identify the key elements of a private bank's balance sheet: Students will recognize and explain the main assets and liabilities of private banks, including loans, deposits, investments, and equity capital. <p>Higher-Order Learning Outcomes:</p> <ol style="list-style-type: none"> Compare and contrast the balance sheets of central and private banks: Students will analyze the structural differences between central and private bank balance sheets, understanding how their roles in the economy influence their financial statements. Evaluate the impact of monetary policy on central bank balance sheets: Students will assess how central banks' balance sheets are affected by monetary policy operations, such as open market operations and interest rate changes, and how these affect the broader economy. <u>CEPR</u>
	<p>25. Differences Loans, Classification of Loans.</p>	<p>Lower-Order Learning Outcomes:</p> <ol style="list-style-type: none"> Define various types of loans: Students will be able to identify and describe different loan categories, such as personal loans, auto

		<p>loans, home equity loans, and student loans, understanding their primary purposes and characteristics. Experian Credit Report</p> <p>2. Explain the criteria for classifying loans: Students will understand the standard classifications of loans based on credit risk, such as performing and non-performing loans, and the factors influencing these classifications.</p> <p style="text-align: center;">Higher-Order Learning Outcomes:</p> <p>3. Analyze the impact of loan classification on financial reporting: Students will evaluate how different loan classifications affect a bank's financial statements, including implications for provisioning and capital adequacy.</p> <p>4. Assess the role of loan classification in risk management: Students will critically assess how effective loan classification contributes to a bank's risk management framework, influencing decision-making processes and regulatory compliance.</p>
	<p>26. Measuring Credit Risk.</p>	<p style="text-align: center;">Lower-Order Learning Outcomes:</p> <p>1. Define credit risk and its key components: Students will be able to explain that credit risk refers to the possibility of a borrower failing to repay a loan or meet contractual obligations, encompassing factors such as the probability of default (PD), loss given default (LGD), and exposure at default (EAD). Investopedia</p> <p>2. Identify common tools and methods used to assess credit risk: Students will recognize and describe techniques such as credit scoring models, credit ratings, and the use of credit default swaps as instruments to evaluate the creditworthiness of borrowers. financestrategists.com</p> <p style="text-align: center;">Higher-Order Learning Outcomes:</p> <p>3. Analyze the application of machine learning and alternative data in credit risk assessment: Students will evaluate how integrating non-traditional data sources and machine learning algorithms enhances the accuracy of credit risk evaluations by identifying patterns and anomalies that traditional methods might overlook. Anaptyss Inc.</p>

		<ol style="list-style-type: none"> 4. Assess the impact of economic and environmental factors on credit risk measurement: Students will critically examine how external elements such as economic cycles, climate-related risks, and geopolitical developments influence credit risk assessments and the methodologies used to measure them.
8. Role of Central Bank (T-07)	27. Understanding Monetary Policy.	<ol style="list-style-type: none"> 1. Define monetary policy and its importance in economic management. 2. Distinguish between expansionary and contractionary policies. 3. Explain how monetary policy affects macroeconomic indicators.
	28. Tools of Monetary Policy.	<ol style="list-style-type: none"> 1. Identify and describe the major tools of monetary policy. 2. Analyze how each tool influences liquidity and interest rates. 3. Evaluate the effectiveness of quantitative vs. qualitative measures
	29. Credit Control by the Central Bank.	<ol style="list-style-type: none"> 1. Define the objectives and methods of credit control. 2. Analyze how central banks regulate the flow of credit to different sectors. 3. Appreciate the central bank's role in maintaining financial discipline and economic stability
9. Negotiable Instruments. (T-07)	30. Cheque and Promissory Note.	<ol style="list-style-type: none"> 1. Define the structure, purpose, and use of cheques and promissory notes. 2. Identify the legal requirements for valid instruments. 3. Distinguish between a cheque and a promissory note in terms of parties and liability
	31. Bill of Exchange.	<ol style="list-style-type: none"> 1. Define and explain the mechanics of a bill of exchange. 2. To express the process of acceptance, endorsement, and maturity. 3. Analyze the differences and similarities among major negotiable instruments.

	32. Endorsement and Transfer of Negotiable Instruments.	<ol style="list-style-type: none">1. Identify various forms of endorsement and their implications.2. To know how negotiable instruments are transferred from one person to another.3. Analyze the legal responsibilities created through endorsement.
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