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**Department of Finance and Banking,**

**College of Administration and Economics,**

**University of Salahaddin-Erbil**

**Microfinance and Economic Development**

**Course Book**

(Year 2/ Course 2)

**Muhammad M. Anwar**

**BSc Salahaddin University- Erbil, MA Izmir University of Economics- Turkey**

**Academic Year**

**2023/2024**

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| **1. Course name** | Microfinance and Economic Development |
| **2. Lecturer in charge** | Lecturer. Muhammad Muhsin |
| **3. Department/ College** | Finance and Banking- Administration & Economics |
| **4. Contact** | E-mail: Muhammad.anwar@su.edu.krd  Tel: |
| **5. Time (in hours) per week** | Theory: 3 |
| **6. Office hours** | Monday 8:30 - 12:00, Thursday 9:30 -12:30 |
| **7. Course code** |  |
| **8. Teacher's academic profile** | Muhammad obtained his bachelor’s degree at Salahaddin University-Erbil in 2010. And then received his master’s degree at Izmir University of Economics in Izmir-Turkey. He, Currently, is a lecturer in the department of banking and finance. Teaching the courses of Financial markets & Microfinance. |
| **9. Keywords** | Finance, Microfinance, Microfinance Institutions, Economic Development. |
| **10. Course overview:**  The course will explore the role of microfinance in economic development. It will discuss how poor people in poor countries use financial services such as credit and savings; the history and practice of delivering such services; what is known about their contribution to development; and how stories and statistical studies shape public perceptions of microfinance. | |
| **11. Course objective:**  The goal of the course is to help the student gain a practical understanding of the fundamental concepts of microfinance, assessing customer needs and expectations; designing new products and delivery mechanisms; the various lending methodologies; the debate around regulation and supervision; assessing the quality of the portfolio; gauging financial viability; addressing governance and cultivating effective donor relations. Finally, all of this will be attempted with an eye toward assessing the theological importance and relevance of microfinance when attempted from a Christian vantage point. | |
| **12. Student's obligation:**  The student must follow the lectures continuously, submit homework and assignments. Expect quizzes at any time. | |
| **13. Forms of teaching:**   * A review of the previous lecture by students * Present a new lecture through PowerPoint by data show * Summary of lecture * Ask questions and discussion * Quiz exam | |
| **14. Assessment scheme:**   * Midterm Exam (30%) * Activity & Quizzes (10%) * Final Exam (60%) * Total Mark (100%) ‌ | |
| **15. Student learning outcome:**  At the end of the course, students should be able to:   * Understand the meaning of microfinance, its benefits, its clients, its actors, and its products. * Identify the microfinance institutions (MFIs), their objectives * Explain investment and financing within MFIs, innovation, and challenges in the microfinance sector * Determine the impact of microfinance on poverty and economic development. | |
| **16. Course Reading List and References‌:**   * Ledgerwood, Joanna (2000), MICROFINANCE HANDBOOK: An Institutional and Financial Perspective, SUSTAINABLE BANKING with the POOR, The International Bank for Reconstruction and Development/THE WORLD BANK, Washington, D.C, U.S.A. * Ledgerwood, Joanna, Earne, Julie, and Nelson Candace (2013), The New Microfinance Handbook: A Financial Market System Perspective, Interna, USA. * Churchill, Craig and Coster, Dan (2001), MICROFINANCE RISK MANAGEMENT HANDBOOK. * CGAP (1998). External Audits of Microfinance Institutions A Handbook, CGAP GUIDELINES FOR CONTENT AND PRESENTATION OF MFI FINANCIAL STATEMENTS Technical Tool Series No. 3 December 1998 * Waterfield, Charles and Ramsing, Nick (1998), Management Information Systems for Microfinance Institutions: A Handbook, CGAP/World Bank, The Consultative Group to Assist the Poorest, Technical Tool Series No. 1 | |
| **17. The Topics:**   |  |  | | --- | --- | | Week | Topic | | 1 | **The financial system of the poor** | | Lack of Access to Savings | | Permanent Income Hypothesis | | Savings and Time Inconsistency | | Saving in Groups and Social Reputation | | Informal Insurance: How do the poor cope with the risk | | Credit and Money Lenders | | 2 | **Introduction to microfinance** | | Meaning of Microfinance | | Financial Services | | Purposes of Microfinance | | Characteristics of Microfinance | | Principles of Microfinance | | Reasons for Growing Microfinance | | 3 | **Channels of Microfinance** | | Microfinance Delivery Mechanisms | | Channels of Microfinance | | 4 | **Microfinance Benefits, Clients and Actors** | | Benefits of Microfinance | | Microfinance Clients | | Microfinance Actors | | 5 | **Microfinance Products** | | Micro savings | | Microinsurance | | Remittance | | Microcredit | | Non-financial products | | 6 | **Microfinance Institutions (MFIs)** | | Microfinance Institutions (MFIs) | | Types of MFIs | | 7 | **Objectives of MFIs** | | Objectives of MFIs | | MFIs Market Targeting | | 8 | **Impacts of MFIs** | | Impacts of MFIs | | Kinds of MFIs Impacts | | 9 | **Investment and Financing within MFIs** | | Microfinance: A new investment Assets | | Investment and Financing within MFIs | | Investment Funds and Venture-capital in the Microfinance Sector | | Valuation of MFIs | | 10 | **Financial Planning of MFIs** | | Constraints of microfinance | | Credit Risk | | Types of Credit Risk | | Credit Risk Technology | | 11 | **Innovation and Challenges in the Microfinance Sector** | | Current Situation and Future Trends of the Microfinance Sector Worldwide | | Governance | | Regulation Branchless Banking | | Criticism and Challenges of Microfinance | | Innovation in MFIS | | 12 | **Economic Development Theory** | | World Economic Evolution | | Poverty, Microfinance and Social Financial Exclusion | | Development Cooperation, Definition, and Tools | | 13 | **Small enterprise development and microentrepreneurs microfinance** | | Financial needs of small enterprises | | The role of MFIs in meeting the needs of small enterprises | | MFIs’ challenges in serving small business | | |
| **19. Examinations:**  **Q1:** Define microfinance? Then mention its most objectives?  **Q2:** What are the most important clients of microfinance?  **Q3:** Talk about the impact of microfinance on poverty and economic development?  **Q4:** Determine the most challenges in the microfinance sector. | |
| **20. Extra notes:**  I assess the student continuously through their activities in the class. Any student with ideas about learning and suggestion of alternative ways of dealing with problems will be very welcome. | |
| **21. Peer review:**    The article coursebook was reviewed and signed by Dr. Ameer M. Saleem:  :  Through my review of this coursebook about Microfinance & Economic Development, I confirm that it is appropriate for the article. | |