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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.krdTel: |
| **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
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| **14. Assessment scheme:*** Midterm Exam (30%)
* Activity & Quizzes (10%)
* Final Exam (60%)
* Total Mark (100%) ‌
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| **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.
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| **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
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| **17. The Topics:**

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| 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 |

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| **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. |