

Finance and Banking in Developing Countries

Course code: KOZNXV4VI97

Course name : Finance and Banking in Developing Countries

Course name (Hungarian): Finance and Banking in Developing Countries

Number of hours per semester: 2

Credits: 3

Fall/Spring: FALL

Language: English

Prerequisites: -

Course type: seminar

Department: [Világgazdasági Intézet](#)

Course leader: [dr. Hadházy Dr. Burucs Magdolna Judit](#)

Course description: The objective of this course is to introduce students to the characteristics of the Banking and Finance in developing countries and the unique managerial issues that confront financial institutions. Specific topics to be covered include: the role of the financial sector; the basic feature of the banks and customer relationships; the products and service of the banks; the corporate governance of the banks in the developing countries. The operation of the international financial organization as well as the main components of the financial infrastructure (e.g. the money and capital market, payment system) in the developing countries will be also discussed. The several topics will be demonstrated via case studies.

Course requirements during the semester:

Examination requirements:

Assessment, grading: The final grade is composed as follows:

Final exam: 60 per cent

Presentation: 30 per cent

Class activity 10 per cent

The final exam at the end of the semester will cover all material in the readings and issues discussed in class. The exam will consist of some test-type questions related to the course and some questions that related to an annual report of a domestic bank that operates in the given country. There will be one date to write the final exam on the week before Christmas and two further dates in January. Class activity points will be based on how regularly students contribute meaningfully to discussions. Class attendance sheets will be taken.

Aims, objectives and description of the course: • The aim of the course is to give an introduction to students about the role, challenges and the specialties of banking and finance in the developing countries.

The topics will be discussed:

- The main characteristics and components of the financial infrastructure in developing countries (legal and regulatory framework for financial sector operations, the role of the central bank, credit information bureaus, collateral registries and payment systems, the role of the money and capital market)
- The members of the financial sector in developing countries;
- The effect of the international regulatory environment, the international financial organizations in the developing countries (IIF, Worldbank, IFC, EBRD, etc.)
- Characteristics of Retail banking in developing countries;
- Characteristics of Corporate banking in developing countries;
- The feature of the corporate governance in developing countries ;

- Liquidity management, the risks to which financial institutions are exposed and the capital requirement in developing countries
- The significance of the Annual Report for a bank in developing countries and the Bank Rating methods (CAMEL).

Course schedule: Classroom: C105, Monday 8.00-

Learning outcomes: By completing this course, student will

- be able to understand the role and the operation of the financial sector in several, different developing countries
- be able to critically evaluate the effects of financial international organizations on the financial sector in developing countries.
- gain experience in reading and interpreting annual report of banks in developing countries
- gain experience in group work and polish your presentation skills;

Course assessment during the semester:

Assignments: On the first class of the seminar, students will be provided a country that belongs to the developing countries. Students will work on a presentation. On each seminar starting from week 3, some student will present introduction of the financial system of the country that was selected. Each presentation should be around 10 minutes, PowerPoint is required.

Program's name:

Readings:

Compulsory readings:

- • Access to Financial Services In Developing Countries:
https://economie.rabobank.com/PageFiles/3584/access_tcm64-75165.pdf
- • Building Inclusive Financial Systems:
<http://www.gfdrr.org/sites/gfdrr/files/publication/Access%20for%20All-%20Building%20Inclusive%20Financial%20Systems.pdf>
- • Building Access Through Transparent and Stable Financial Systems
<http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/282044-1252596846652/FinancialInfrastructureReport.pdf>

Recommended readings:

Course professor(s)/lecturer(s):