

MAKERERE UNIVERSITY MAKERERE UNIVERSITY BUSINESS SCHOOL
FACULTY OF COMMERCE, DEPARTMENT OF FINANCE
SEMESTER ONE; ACADEMIC YEAR: 2025/26

Programme: Master of Science in Banking & Investment

Year of Study: One

Course Name: Developments in Money and Banking

Course Code: MBI 7104

Lecture Days:

Venue: Main Building, 2nd Floor, Faculty of Commerce Resource Centre

Course Facilitator: Assoc. Prof. Rachel Mindra Katoroogo



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Course Description

This course examines the evolution of money, banking systems and financial intermediation in the context of global and domestic developments. It provides students with an understanding of the theoretical foundations, institutional structures, technological innovations, policy frameworks and regulatory changes shaping modern banking and monetary systems. Emphasis is placed on both developed and emerging markets, with particular focus on trends impacting Uganda and the broader African region.

Course objectives

By the end of the course, students should be able to:

1. Analyze the historical and contemporary developments in money and banking
2. Evaluate the roles of central banks, commercial banks and non-bank financial institutions in economic growth
3. Assess the impact of monetary policy, regulation and innovation on the banking industry.
4. Critically appraise emerging issues in financial technology, digital currencies and global banking integration
5. Apply advanced theoretical and empirical tools to analyze banking sector developments

Learning Outcomes

Students will be able to:

1. Explain the evolution of monetary systems and banking institutions
2. Critically analyze the implications of regulatory reforms and policy shifts
3. Demonstrate knowledge of fintech innovations and their implications for banking
4. Conduct case-based analyses of banking crises, reforms, and growth strategies
5. Apply research and analytical skills to evaluate trends in domestic and international banking

Mode of assessment

Coursework	40%
End of examinations	60%
Total	100%

Mode of delivery

- Lecture & Discussion
- Guest lecture by industry expert
- Policy and case study review
- Group and class discussions
- Debate session
- Class presentations- assignments

DETAILED COURSE CONTENT

No	Topic	Subtopics	Hours
1.	Introduction to Money and Banking	<ul style="list-style-type: none"> ▪ Nature, Functions & Evolution of Money ▪ Types/Forms of money ▪ Overview of the banking system ▪ Gold standard, Bretton Woods, fiat money ▪ Transition to the digital and cryptocurrency era ▪ Role of money in a modern economy 	4
2.	Structure of the Modern Banking System	<ul style="list-style-type: none"> ▪ Financial institutions ▪ Non-bank financial institutions ▪ Financial market segments ▪ The Ugandan financial system architecture & regulatory bodies 	2
3.	Central Banking and Monetary Policy	<ul style="list-style-type: none"> ▪ Roles and functions ▪ Instruments of monetary policy ▪ Inflation targeting ▪ Uganda's monetary policy framework 	4
4	Financial Intermediation Theory	<ul style="list-style-type: none"> ▪ Risk transformation ▪ Maturity transformation, ▪ Asymmetric Information, Adverse Selection & Moral Hazard 	2
5.	Banking Regulation and Supervision	<ul style="list-style-type: none"> ▪ Basel Accords ▪ Capital adequacy ▪ Risk management ▪ Role of Bank of Uganda 	2 Guest Lecturer by Industry Expert

6.	Developments in International Banking	<ul style="list-style-type: none"> ▪ Globalization of banking ▪ Cross-border & Correspondent banking ▪ Technological Innovations in Banking ▪ Risks in international banking 	3
7.	Technological Innovations in Banking	<ul style="list-style-type: none"> ▪ Mobile money and branchless banking ▪ Blockchain and distributed ledger technology ▪ AI, machine learning & big data in banking ▪ Cybersecurity challenges. ▪ AI in banking 	2 Guest Lecturer by Industry Expert
8.	Banking Crises and Reforms	<ul style="list-style-type: none"> ▪ Types of crises- liquidity, solvency, systemic. ▪ Historical crises: 2008 GFC, 1990s Uganda banking crisis. ▪ Policy responses ▪ Post-crisis regulatory reforms. 	4
9.	Financial Inclusion and Development	<ul style="list-style-type: none"> ▪ Concepts of Financial Inclusion ▪ Financial inclusion and poverty reduction. Uganda's National Financial Inclusion Strategy 2023–2028. ▪ Microfinance, Cooperatives and community banking 	2
10.	Contemporary Issues in Money and Banking	<ul style="list-style-type: none"> ▪ Geopolitics and sanctions in banking. ▪ Systemic risks. ▪ Financial innovation vs. regulation balance 	2

READING LIST

Core Texts

1. Mishkin, Frederic S. (2022). *The Economics of Money, Banking, and Financial Markets* (13th Global Edition). Pearson Education.
2. Saunders, Anthony & Allen, Linda (2021). *Financial Institutions Management: A Risk Management Approach* (10th Edition). McGraw-Hill Education.
3. Rose, Peter S. & Hudgins, Sylvia C. (2020). *Bank Management & Financial Services* (10th Edition). McGraw-Hill Education.
4. Greenbaum, Stuart I., Thakor, Anjan V., & Boot, Arnoud W.A. (2019). *Contemporary*

Financial Intermediation (4th Edition). Academic Press.

4. Allen, Franklin & Carletti, Elena (2013). *The Global Financial Crisis: Causes and Consequences*. Oxford University Press.
5. Schroeder, Stephan & Weber, Christian S. (2021). *Central Banking and Monetary Policy in the Asia-Pacific*. Springer.
6. Chishti, Susanne & Barberis, Janos (2016). *The FINTECH Book*. Wiley.

Reports & Policy Documents

7. Bank of Uganda - *Annual Supervision Report* (latest editions).
8. Bank of Uganda- *Monetary Policy Statements* (quarterly).
9. Financial Stability Board (FSB)- *Annual Reports & Global Monitoring Reports*.
10. Bank for International Settlements (BIS)- *Annual Economic Report & BIS Working Papers* (especially on CBDCs and fintech).
11. World Bank & IMF -*Global Financial Development Report* (latest edition).
12. Uganda Bankers Association -*Annual Report & Financial Inclusion Reports*.
13. FSD Uganda -*National Financial Inclusion Reports* (latest edition).

International Finance Corporation (IFC) -Sustainable Banking Network Reports.

14. World Bank Global Findex — <https://globalfindex.worldbank.org/>
15. GSMA Mobile Money Reports — <https://www.gsma.com/mobilemoneymetrics>

Other interesting texts

Mervyn King (2019) *The End of Alchemy: Money, Banking and the Future of the Global Economy*

Niall Ferguson (2018) "The Ascent of Money: A Financial History of the World"

Goetzmann William N. (2020) "Money Changes Everything: How Finance Made Civilization Possible"

Morgan Ricks (2018) *The Money Problem: Rethinking Financial Regulation*

Walter Bagehot (2021)"*Lombard Street: A Description of the Money Market*"

Prepared By:

Assoc. Prof. Rachel Mindra Katoroogo

Course Facilitator

Approved By:.....

Head of Department

MBI YEAR ONE - DMB

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