



EMP 003

**Banking and Microfinance,
Banking and Microfinance Exercises**

1st semester EMP 2009-10

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Part 1: Objectives of the course (R.Lensink)

- Explain the fundamentals of the lending activity
- Introduce the investment decision criteria
- Explain the role of the financing decision on the value of the firm
- Present the fundamentals of Islamic finance

Part 1: Topics covered

- 1) Information asymmetries
- 2) How to solve information asymmetries
- 3) Investment decision rules
- 4) Capital structure policies
- 5) Islamic Finance

Part 2: Objectives of the course (L.Weill)

- Explain recent trends in MF, especially the trend towards commercialization
- Explain the process of securitization and the relevance of MF investment funds
- Provide participants with recent information on advantages and disadvantages of investments in MF
- Explain some research techniques that can be used to examine the efficiency of MFIs, and the relevance of investments in microfinance

Part 2: Topics covered

- 1) General overview of commercialization of MFIs and the tradeoff between outreach and efficiency of MF
- 2) Securitization of microfinance
- 3) Microfinance investment funds
- 4) International Diversification and MF and the impact of the financial crisis on MFIs.

Part 3: Objectives of the course (A.Gilin)

- Identify specific items of MFI financial statements
- Explain calculation of different types of interest rates in Microfinance
- Identify appropriate funding instruments for MFIs

Part 3: Topics covered

- 1+2) Interest rates calculation (2 sessions)
- 3) Funding instruments for MFIs
- 4) Financial Statements