

Asian Institute of Technology
School of Management
Professional Masters in Banking and Finance (PMBF)
Growth and Development

Course Objective:

Banking operates in the context of an economy and by extension in the context of a global economy. In most emerging economies banks are the key sources of finance to stimulate economic growth and development. Professionals seeking to develop a career in banking need to understand the linkages between banking and economic growth and development.

Learning Outcomes:

It is expected that this course will enable students to (during and at the end of this course):

1. Develop the analytical skills to understand theoretical developments in modern economic growth theory.
2. Develop the ability to match theory with empirical evidence via the interpretation of econometric studies on the experience of economic growth and development across countries.
3. Develop the ability to highlight the implications of theoretical and empirical research for policy design.

Pre-requisite(s): None

Course Outline:

I. Introduction

1. What is economic growth?
2. What is economic development?
3. The situation in Asian economies

II. Determinants of Economic Growth: Theory and Empirics

1. Growth accounting
2. Growth and Technological Progress
3. Knowledge, human capital and endogenous growth
4. Fiscal Policy and growth
5. Trade and Openness
6. Macroeconomic Stability (Economic Crisis)



7. Financial Development
8. Political Factor and Institution

III. Economic Growth and Development: Theory and Empirics

1. Growth and Standards of Living
2. Growth, Saving, and Investment
3. Growth, inflation, and financial deepening
4. Growth, poverty, and inequality

Learning Resources:

Textbook(s):

Lecture notes and handouts provided by the instructor.

Reference Books:

Agenor, Pierre-Richard:

The Economies of adjustment and growth, San Diego, CA, Academic Press, 2000.

Van Den Berg, H.:

Economic growth and development, New York: McGraw-Hill (2nd Edition), 2007.

Barro, R., and Sala-i-Martin, X.:

Economic growth, Cambridge, MA, MIT Press, 2003.

Helpman, E.:

The mystery of economic growth, Cambridge, MA, Harvard University Press, 2004.

Acemoglu, D.:

Introduction to modern economic growth, Princeton, NJ, Princeton University Press (1st Edition), 2009.

Journals and Magazines:

Journal of Economics

Journal of Econometrics

International Journal of Economic Theory

Journal of Economic Development

International Journal of Economics Science and Applied Research

Harvard Business Review.

Time Distribution and Study Load: Specify the number of hours for lectures, tutorials/exercises, laboratory, case study, fieldwork, home study, etc. For every one hour lecture, students are expected to spend at least three hours of self-study.

Lecture:	30 hours
Tutorials/Exercises:	35 hours
Case study:	15 hours
Home study:	100 hours

Evaluation Scheme:

The final grade will be computed from the following constituent parts:

Mid-term exam:	30%
Final exam:	40%
Assignments:	30%

Open/closed-book examination is used for both mid-term and final exams.

Grading system

Grade	Definition	Grade Points
A	<i>Excellent.</i> Thorough knowledge and mastery of concepts and/or techniques together with a high degree of skill and/or great originality in satisfying the requirements of a piece of work or course.	4.00
B+	<i>Very Good.</i> Thorough knowledge and mastery of concepts and/or techniques together with a fairly high degree of skill in the use of those concepts and techniques in satisfying the requirements of a piece of work or course.	3.50
B	<i>Good.</i> Good level of knowledge or mastery of concepts and/or techniques with a considerable skill in using them in satisfying the requirements of a piece of work or course.	3.00
C+	<i>Near Competent.</i> Level of knowledge or mastery of concepts and/or techniques requires more efforts to satisfy the requirements of a piece of work or course.	2.50
C	<i>Deficient.</i> Level of knowledge or mastery of concepts and/or techniques requires intensive efforts to satisfy the requirements of a piece of work or course.	2.00
D	<i>Highly Deficient.</i> Knowledge or mastery of concepts and /or techniques and understanding of the subject matter unacceptably low.	1.00
F	<i>Failing.</i> Very poor with very limited knowledge or limited mastery and understanding of concepts and/or techniques; comprehension of the subject matter is very limited.	0
I	<i>Incomplete.</i> Course may be completed at a later time without prejudice	-

Instructor(s): Faculty/Visiting Faculty/Adjunct Faculty of School of Management