



## FIN204 MICROFINANCE T320 Brief

All information in the Subject Outline is correct at the time of approval. KOI reserves the right to make changes to the Subject Outline if they become necessary. Any changes require the approval of the KOI Academic Board and will be formally advised to those students who may be affected by email and via Moodle.

Information contained within this Subject Outline applies to students enrolled in the trimester as indicated

### 1. General Information

#### 1.1 Administrative Details

Associated HE Award(s)	Duration	Level	Subject Coordinator
B Bus (Acct.); B Bus (Mgmt. & Finance)	1 trimester	Level 2	Farzaneh Ortacand <a href="mailto:farzaneh.ortacand@koi.edu.au">farzaneh.ortacand@koi.edu.au</a> P: 9283 3583 L: Level 1, 545 Kent St. Consultation: via Moodle or by appointment.

#### 1.2 Core / Elective

This is an elective subject for B Bus (Mgmt. & Finance) and for B Bus (Acct.).

#### 1.3 Subject Weighting

Indicated below is the weighting of this subject and the total course points.

Subject Credit Points	Total Course Credit Points
4	BBus (Acct.) 96; BBus (Mgmt. & Finance) 96

#### 1.4 Student Workload

Indicated below is the expected student workload per week for this subject

No. timetabled hours/week*	No. personal study hours/week**	Total workload hours/week***
4 hours/week (2 hour Lecture + 2 hour Tutorial)	6 hours/week	10 hours/week

\* Total time spent per week at lectures and tutorials.

\*\* Total time students are expected to spend per week in studying, completing assignments, etc.

\*\*\* Combination of timetable hours and personal study.

**1.5 Mode of Delivery** Blended, that is face-to-face/online.

**1.6 Pre-requisites** ACC100 Introduction to Accounting and FIN200 Corporate Financial Management

#### 1.7 General Study and Resource Requirements

- Students are expected to attend classes with the weekly worksheets and subject support material provided in Moodle. Students should read this material before coming to class to improve their ability to participate in the weekly activities.
- Students will require access to the internet and their KOI email and should have basic skills in word processing software such as MS Word, spreadsheet software such as MS Excel and visual presentation software such as MS PowerPoint.
- Computers and WIFI facilities are extensively available for student use throughout KOI. Students are encouraged to make use of the campus Library for reference materials.

*Resource requirements specific to this subject:* Students should have a non-programmable calculator. Applications in smart phones will not be sufficient to perform the required calculations.

## 2 Academic Details









### 2.1 Overview of the Subject

Microfinance is a relatively new approach in the finance industry, delivering a range of varied financial services to poor and socially marginalised people, particularly women, who are not able to obtain financial services from – or are generally ignored by – traditional financial institutions. This subject is an introduction to microfinance. It examines the origins, motivations, operations, services, impacts, major risks and government interventions relating to what is now a major industry across many countries, helping many millions of people to become self-sufficient. It provides insights into this expanding area as well as case studies to illustrate its impacts, benefits and limitations.

### 2.2 Graduate Attributes for Undergraduate Courses

Graduates of the *Bachelor of Business (Accounting)*, and the *Bachelor of Business (Management and Finance)* courses from King's Own Institute will achieve the graduate attributes expected from successful completion of a Bachelor's degree under the Australian Qualifications Framework (2<sup>nd</sup> edition, January 2013). Graduates at this level will be able to apply an advanced body of knowledge in a range of contexts for professional practice or scholarship and as a pathway for further learning.

King's Own Institute's key generic graduate attributes for a bachelor's level degree are summarised below:

	KOI Bachelor Degree Graduate Attributes	Detailed Description
	Knowledge	Current, comprehensive and coherent knowledge
	Critical Thinking	Critical thinking and creative skills to analyse and synthesise information and evaluate new problems
	Communication	Communication skills for effective reading, writing, listening and presenting in varied modes and contexts and for transferring knowledge and skills to a variety of audiences
	Information Literacy	Information and technological skills for accessing, evaluating, managing and using information professionally
	Problem Solving Skills	Skills to apply logical and creative thinking to solve problems and evaluate solutions
	Ethical and Cultural Sensitivity	Appreciation of ethical principles, cultural sensitivity and social responsibility, both personally and professionally
	Teamwork	Leadership and teamwork skills to collaborate, inspire colleagues and manage responsibly with positive results
	Professional Skills	Professional skills to exercise judgement in planning, problem solving and decision making




























Across the course, these skills are developed progressively at three levels:

- **Level 1 Foundation** – Students learn the basic skills, theories and techniques of the subject and apply them in basic, stand-alone contexts.
- **Level 2 Intermediate** – Students further develop skills, theories and techniques of the subject and apply them in more complex contexts, beginning to integrate the application with other subjects.
- **Level 3 Advanced** – Students have a demonstrated ability to plan, research and apply the skills, theories and techniques of the subject in complex situations, integrating the subject content with a range of other subject disciplines within the context of the course.

## 2.3 Subject Learning Outcomes

This is a Level 2 subject.

Listed below, are key knowledge and skills students are expected to attain by successfully completing this subject:

Subject Learning Outcomes	Contribution to Graduate Attributes
a) Describe the history and development of microfinance, the various types of microfinance services and their goals, the current scale of operations and the regulatory framework governing the industry.	   
b) Identify the key users of microfinance services, with emphasis on the high female participation, the micro-entrepreneurs, group lending activities and lending methodologies.	  
c) Outline the various types of microfinance institutions, their management and the work-force employed, their lending activities, and the subsidies and other assistance granted.	   
d) Analyse the benefits, achievements and other impacts of microfinance and its institutions, along with the criticisms, limitations and shortcomings of the industry.	     
e) Discuss the sources of finance for the industry, the profitability of microfinance institutions and the scope for direct and portfolio investment in the organisations.	   
f) Assess the global economic and social performance of microfinance institutions, along with loan pricing and sustainability, and examine the future prospects of the industry.	     

## 2.4 Subject Content and Structure

Below are details of the subject content and how it is structured, including specific topics covered in lectures and tutorials. Reading refers to the text unless otherwise indicated.

Tutorial exercises comprise questions on that day's topic along with a range of multiple-choice questions.

*Weekly Planner:*

Week (beginning)	Topic covered in each week's lecture	Reading(s)	Expected work as listed in Moodle
1 02 Nov	What is Microfinance (MF)? History of MF; MF and the fight against poverty; MF interest groups; Impact investing; Risks of investing in MF institutions (MFIs); Social benefits of MFIs; Selected MF terms.	Chs. 1, 2	Tutorial Exercises [Listing of Weekly Tutorial Exercises appears on the FIN204 Moodle Page.]
2 09 Nov	Intervention in Credit Markets - Major MF participants; Their regulation; Development Finance Institutions; Global coverage; Impact of Geneva and the United Nations on MF.	Ch. 3	Tutorial Exercises <b>Quiz 1 due</b>

3 16 Nov	Micro-entrepreneurs (MEs) – the MF clients; Poverty levels and MEs' needs; Types of loans; Operating regions; Industries funded.	Ch. 4	Tutorial Exercises <b>Quiz 2 due</b>
4 23 Nov	Microfinance Institutions (MFIs) - Definition; Goals; Types; Funding; Subsidies; Services provided; Regulation of MFIs.	Ch. 5	Tutorial Exercises <b>Quiz 3 due</b>
5 30 Nov	Lending Methodologies – Traditional credit theory and MF; Loan types; Socio-economic factors – urban v. rural; gender issues; over-indebtedness; default prevention and debt restructuring; The Loan Officer's role.	Ch. 6	Tutorial Exercises <b>Quiz 4 due</b> <b>(Quiz 5 in class)</b>
6 07 Dec	<b>Mid trimester exam</b>		<b>Introduction to Assignment 2, and topic discussion</b> <b>Preview of weeks 7-11</b>
7 14 Dec	Loan Pricing and Sustainability – Interest rate components; A sustainable interest rate; Regional differences; Loan recipients' willingness to pay.	Ch 7	<b>Tutorial Exercises</b>
20 Dec 2020 – 03 Jan 2021	<b>Mid trimester break</b>		
8 04 Jan	Social Performance – Definition; Management; Measurement standards and outcomes; Client protection principles; Performance goals; Social ratings agencies; Technical assistance; Links with profitability.	Ch. 8	Tutorial Exercises <b>Quiz 6 due</b>
9 11 Jan	Criticisms, Concerns and Limitations of MF – High interest rates; Financial crises, suicides and over-indebtedness; Corruption; Enterprise growth impacts; Child labour; Mission drift; Insufficient diversification. Can social performance really be measured?	Ch. 9	Tutorial Exercises <b>Quiz 7 due</b> <b>Deferred mid trimester exams</b> - see Section 2.6 below for more information
10 18 Jan	Investing in MF – market developments; MF investment vehicles (MIVs); The investment process; Loan agreements and pricing policy; Incentives for investing in MF.	Ch. 10	Tutorial Exercises <b>Quiz 8 due</b> <b>Assignment 2 due</b>
11 25 Jan	Impacts and Future Scenarios - Is MF crisis-proof? The real economy and influencing factors; The financial economy and influencing factors; Risk management; Stability mechanisms. What is the future for MF and its participants?	Chs 11 & 12	Tutorial Exercises <b>Quiz 9 due</b>
12 01 Feb	Revision		Revision of Weeks 7 to 11 <b>Quiz 10 due</b>
13 07 Feb	Study review week		
14 15 Feb	Final Exam	Please see Exam Timetable for exam date, time and location	
15 21 Feb	Student Vacation begins Enrolments for T121 open		
16 02 Mar	Results Released 02 Mar 2021 Certification of Grades 05 Mar 2021		
<b>T121 begins 09 Mar 2021</b>			
1 08 Mar	Week 1 of classes for T121 <b>Friday 05 Mar 2021 – Review of Grade Day for T320</b> – see Sections 2.6 and 3.2 below for more information.		

## 2.7 Teaching Methods/Strategies

Briefly described below are the teaching methods/strategies used in this subject:

- *Lectures* (2 hours/week) are conducted in seminar style and address the subject content, provide motivation and context and draw on the students' experience and preparatory reading.
- *Tutorials* (2 hours/week) include class discussion of case studies and research papers, practice sets and problem-solving and syndicate work on group projects. Tutorials often include group exercises and so contribute to the development of teamwork skills and cultural understanding. Tutorial participation is an essential component of the subject and contributes to the development of many of the graduate attributes (see section 2.2 above). Tutorial participation contributes towards the assessment in many subjects (see details in Section 3.1 for this subject). Supplementary tutorial material such as case studies, recommended readings, review questions etc. will be made available each week in Moodle.
- *Online* teaching resources include class materials, readings, model answers to assignments and exercises and discussion boards. All online materials for this subject as provided by KOI will be found in the Moodle page for this subject. Students should access Moodle regularly as material may be updated at any time during the trimester
- *Other contact* - academic staff may also contact students either via Moodle messaging, or via email to the email address provided to KOI on enrolment.

## 2.8 Student Assessment

Provided below is a schedule of formal assessment tasks and major examinations for the subject.

Assessment Type	When Assessed	Weighting	Learning Outcomes Assessed
Assessment 1: Mid-trimester Exam (1.5 hours)	Week 6	20%	a, b, c
Assessment 2: Research project – individual assessment – 2,500 word essay / report	Week 6 Topic discussed Week 10: Essay / report due	30%	a, b, c, d, e, f
Assessment 3: Final examination (2 hours + 10 min reading time)	Final exam period	50%	a, b, c, d, e, f

### *Requirements to Pass the Subject:*

To gain a pass or better in this subject, students must gain a *minimum of 50%* of the total available subject marks.

## 2.9 Prescribed Readings

### ***Prescribed Text:***

Fanconi, P. A. and Scheurle, P. 2017. *Small Money, Big Impact: Fighting Poverty with Microfinance*. Wiley.