

Principles of Microfinance
Fall 2015
GENB 7334-01 (26562); FINA 7397 -03 (24987)

Instructor: Dr. Saleha Khumawala
Office: 380-E Melcher Hall
Class: Saturdays **9:00-12:00 noon, CEMO Hall Room 101.**
Web address: <http://www.bauer.uh.edu/microfinance>.

Prerequisites:

There are no prerequisites for this course, but a general background in business and economics will help in understanding the fundamental economic issues.

Course Objectives:

This course provides a unique opportunity to expand the students understanding of the Base of the Pyramid as a business opportunity and its importance in today's economy. It will explore and analyze the key issues and current challenges faced with microfinance and wealth creation. In the process we will address such questions as: What is microfinance? What are the various business models used by microfinance institutions (MFI's) for wealth creation? We will understand the meaning of social entrepreneurship and develop ideas about application of this concept and learn how to achieve a **TRIPLE Bottom Line**?

REQUIRED Texts and Readings:

Muhammad Yunus, *Banker to the Poor: Micro-lending and the Battle against World Poverty*, Public Affairs: New York, 2003 (Paperback Edition available)

Beatriz Armendariz de Aghion and Jonathan Morduch, *The Economics of Microfinance*, second edition, 2010. The MIT Press. **Selected chapters are posted on BB**

HBS Case Studies:

HBS Case: *Banco Solidario: The Business of Microfinance* (Robert E. Kennedy), 2002 [No. 9-702-019]

HBS Case: *Microfinance International Corporation: No, Not Another Microfinance Case* (Daniel J. Isenberg), 2009 [No. 808104-PDF-ENG]

HBS Case: *SKS Microfinance* (Shawn Cole, Theresa Chen) 2009. [No. 208137-PDF-ENG]

HBR Article: Business Basics at the Base of the Pyramid (Vikram Akula) R0806B-PDF-ENG

Benefits of taking this course:

- Get **Internship/consulting experience**
- The course is a **RESUME BUILDER**
- Build up **competitive professional advantage for the job market**
- Develop **EMPATHY**, critical in today's global job market.

PROJECTED CLASS SCHEDULE

<u>DATE</u> <u>Location</u>	<u>ASSIGNMENTS</u>
Week 1 AUG 29 (meet in class)	Key Topic: Introduction and Overview of Microfinance. The Scope of the Problem: Poverty and the Other sector. The History of informal finance What is Microfinance? What is Base of the Pyramid? http://www.microfinancegateway.com/section/faq#Q1
Week 2 SEPT 5 (meet in class)	Key Topic: The Nature of the Market Failure Read: <i>Banker to the Poor: Micro-lending and the Battle against World Poverty</i> By Yunus. Public Affairs: New York, 2003 (Paperback Edition available)
Week 3 SEPT 12 (meet in class)	Key Topics: NGOs, MFIs Discuss HBS Case: <i>Banco Solidario: The Business of Microfinance</i> (Robert E. Kennedy), 2002 [No. 9-702-019]
Week 4 SEPT 19 (start the consulting project)	Field Project: Phase I: Mentoring the participants, Financial literacy Get to know your Entrepreneur SURE Entrepreneur – Week 1
Week 5 SEPT 26	Field Project: Mentoring the participants, Financial literacy Consulting on the Business Idea/existing business SURE Entrepreneur – Week 2
Week 6 OCT 3	Field Project: Mentoring the participants, Financial literacy Consulting on the Business Plan-Introduction SURE Entrepreneur – Week 3
Week OCT 10	Field Project: Mentoring the participants , Financial literacy SURE Entrepreneur – Week 4
Week 8 OCT 17	Field Project: Phase II: Entrepreneurship and Business Education SURE Entrepreneur – Week 5. Topic: Business 101/Business Plan Basics Guest Speaker: Eminent Business consultant
Week 9 OCT 24	Field Project: Phase II: Entrepreneurship and Business Education SURE Entrepreneur – Week 6. Topic: Marketing & Sales
Week 10 OCT 31	Field Project: Phase II: Entrepreneurship and Business Education SURE Entrepreneur – Week 7. Topic: Accounting & Taxes Guest Speaker: TBC
Week 11 NOV 7	Field Project: Phase II: Entrepreneurship and Business Education SURE Entrepreneur – Week 8. Topic: Budgeting & Supply Chain Assess the SC loop of your entrepreneur’s business.
Week 12 NOV 14	Field Project: Phase II: Entrepreneurship and Business Education SURE Entrepreneur – Week 9. Topic: Sources and Uses of Funds and Assets Consult on the funding needs of the Business Guest Speaker: VP of Lift Fund
Week 13 NOV 21	Field Project: Phase II: Entrepreneurship and Business Education SURE Entrepreneur – Week 10. Topic: Legal Consideration Consult/Mentor the Entrepreneurs - Finalize and Practice the Pitch Guest Speaker: Attorney
Week 14 Nov 28	Happy Thanksgiving!
Week 15 DEC 5 CEMO Hall	Graduation and Pitch Day