

Lesson Plan for “Economics of Microfinance: Beyond Group Lending”

ECON 465–Spring 2018

Course Instructor: Dr. Adel Varghese

Student: Piruz Saboury

Lecture time and place: March 20th 2018, 4:15pm-5:30pm, Allen Building Room 1002

Situational Factors: This is a face-to-face senior level course in a specialized area in economics called “Microfinance”. The class is comprised of mostly senior level undergraduate students and a few master’s students that total to 27. This number provides a good environment to engage most students and use interactive teaching strategies. All students are upper level economics majors and have similar background relevant to the subject matter.

Economics of microfinance is the study of the market for financial services designed for the poor such as small scale lending. This is a topic within the broader field of economics of development and poverty alleviation.

Learning Outcomes: Students should learn to:

1. Describe how dynamic incentives and progressive lending work
2. Explain the intuition behind dynamic incentives and progressive lending in words and in math using the Bolton-Scharfstein model
3. Solve basic numerical problems using the Bolton-Scharfstein model
4. Explain the benefits and constraints of dynamic incentives and progressive lending

5. Describe the benefits and constraints of frequent repayments and other complementary incentive mechanisms
6. Describe the pros and cons of competition in microfinance markets
7. Explain the intuition behind McIntosh-Wydicke model of microfinance competition
8. Outline the outcome of competition between MFIs in different situations using McIntosh-Wydicke model

Assessment: I will use **two** group based individually answered **ungraded short answer Poll Everywhere quizzes**. Student will be given a problem that they have to discuss and solve as a group and submit their responses individually via Poll Everywhere. This is a **formative (informal)** assessment technique and will be carried out **after each topic is covered** in class.

Learning Experiences/ Teaching Methods: The class will be **lecture** based with occasional thought provoking **questions**. There will also be two **group discussions** that include **problem solving** and two **class discussions** where the floor is open to opinions. The last class discussion will be based on reading materials that have previously been uploaded to class website. The students will have been instructed to **read them before coming to class**.

Reflection Preparation: I will use the **level and quality of participation** in responding to questions and discussions, **quizzes results**, and also the **peer classroom observation feedback forms** to assess my teaching.

Bibliography of Teaching Resources

- *Handout on “Bloom’s Taxonomy: Verbs & Question Stems”*
- *Handout on “The 5 Families – Teaching Strategies”*
- *Handout on “Tips on Assessments”*
- *The lecture slides from Dr. Riggs’s lecture on “Integrated Course Design” and “Classroom Assessment Techniques”*
- *The lecture, discussion, and class activity we had by Dr. Richardson on “How to enhance group discussions in classroom” (included the cards with questions for discussion on the front and answers on the back side)*
- *Poll Everywhere software introduced in class by Dr. Richardson*
- *Class textbook:*

Armendáriz, Beatriz, and Jonathan Morduch. The economics of microfinance. MIT press, 2010.
- *Last semester lecture slides provided by Dr. Adel Varghese*
- *Reading material provided by Dr. Adel Varghese*