

## Monetary Theory and Policy

Module		Monetary Theory and Policy					
Module Code		ECO60170					
Module Coordinator		Schmidt, Paul G.					
Last Update		2015/12/17					
Target Group		Programme(s)			Bachelor of Science		
		Term			6th semester		
		Compulsory/Elective Module			Elective Module		
		Module Duration			1 Semester		
		Credits:			6		
		Frequency			Annually		
		Language of instruction			English		
Workload:	150 h	Contact hours:	44 h	Independent Learning:	76 h	Assignments:	30 h
Prerequisites		Finance (EN) (FIN40020)					
Usability in other Modules/Programmes		Bachelor Thesis (BSc_BT)					
Intended Learning Outcomes		<p><b>Knowledge:</b> On successful completion of this module, students will have a thorough comprehension about institutional conditions, targets, strategies and instruments of monetary policies, i.e. they can</p> <ul style="list-style-type: none"> <li>• outline the major determinants of money demand and money supply,</li> <li>• describe the role of financial institutions and the development of financial markets</li> <li>• summarize and the major monetary policy instruments and institutions from a cross-national perspective.</li> </ul> <p><b>Skills:</b> On successful completion of this module, the students will have the proven ability to apply theoretical concepts and analytical tools, i.e. they can</p> <ul style="list-style-type: none"> <li>• assess central bank policy decisions, and</li> <li>• interpret their impact on banking institutions and financial markets</li> <li>• conclude the impact on the real sector of the economy.</li> </ul> <p><b>Competencies:</b> After finishing this module students will be able to analyze and evaluate monetary policy decisions and interpret the impact on the economy in the real world.</p>					

Module Structure	<p><b>The main topics of this module include:</b></p> <ul style="list-style-type: none"> <li>• Theories of Money Demand: Classical, Keynesian, Monetarist and Post-Keynesian</li> <li>• Theories of Money and Credit Supply: Monetarist, Keynesian and Post-Keynesian</li> <li>• Financial Markets and Financial Institutions</li> <li>• Monetary Transmission in Theory &amp; Practice</li> <li>• Targets, Strategies and Instruments of European Monetary Policy</li> <li>• Monetary Policy of the European Central Bank in Practice</li> <li>• Monetary Policy in Mature &amp; Emerging Economies</li> </ul>																
Module Overview	<p>The module presents some of the most important theoretical foundations regarding money demand, money supply, and monetary transmission processes. It describes the institutional framework, the major targets, strategies, and instruments of modern central banking and critically discusses the monetary policies of major central banks over the past three decades.</p> <p>In the final part of the module small teams of students give presentations on selected policy-oriented topics which include:</p> <ul style="list-style-type: none"> <li>• Monetary Policy-making in the USA</li> <li>• Monetary Policy-making in the UK</li> <li>• Monetary Policy-making in Australia</li> <li>• Monetary Policy-making in Switzerland</li> <li>• Monetary Policy-making in Canada</li> <li>• Monetary Policy-making in China</li> <li>• Monetary Policy-making in India</li> <li>• Monetary Policy-making in Brazil</li> <li>• Monetary Policy-making in Russia</li> <li>• Monetary Policy-making in Singapore</li> </ul>																
Forms of teaching, methods and support	<p>The in-class time is divided in approximately 70% lectures with discussions and 30% team presentations by students on selected case studies.</p>																
Type of Assessment in the Module and Performance Points	<table border="1" data-bbox="480 1420 1378 1711"> <thead> <tr> <th>Type of examination</th> <th>Duration or length</th> <th>Performance points</th> <th>Due date or date of exam</th> </tr> </thead> <tbody> <tr> <td>Team presentations</td> <td>45 minutes</td> <td>50</td> <td>During semester</td> </tr> <tr> <td>Classroom discussion</td> <td></td> <td>10</td> <td>During semester</td> </tr> <tr> <td>Written exam</td> <td>60 minutes</td> <td>60</td> <td>End of semester</td> </tr> </tbody> </table> <p><u>Examination requirements:</u></p> <p>Approved aids: bi-lingual dictionary &amp; mathematical notation to the script</p>	Type of examination	Duration or length	Performance points	Due date or date of exam	Team presentations	45 minutes	50	During semester	Classroom discussion		10	During semester	Written exam	60 minutes	60	End of semester
Type of examination	Duration or length	Performance points	Due date or date of exam														
Team presentations	45 minutes	50	During semester														
Classroom discussion		10	During semester														
Written exam	60 minutes	60	End of semester														

<p>Recommended Literature</p>	<ul style="list-style-type: none"> <li>• Mishkin, Frederic S. / Matthews, Kent / Giuliadori, Massimo (2013), <i>The Economics of Money, Banking &amp; Financial Markets</i></li> <li>• , Harlow et al. (Pearson)</li> <li>• Schmidt, Paul G. (2013), <i>Monetary Theory &amp; European Monetary Policy</i></li> <li>• , script, Frankfurt/Main (Frankfurt School of Finance &amp; Management).</li> <li>• Walsh, Carl E. (2010), <i>Monetary Theory and Policy</i></li> <li>• , third edition, Cambridge, Massachusetts: The MIT Press.</li> </ul> <p>A list of recommended introductory literature for presentation topics will be published at the beginning of the current term.</p>
-------------------------------	---