

# Monetary Theory and Policy

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Makroökonomie) and European Central Bank (*on leave*)

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## What can you expect from this course?

- The course gives a comprehensive **introduction to the field of monetary economics**, covering both theory and policy aspects
- It will use concepts and techniques, many of them familiar from the course "Advanced macroeconomics"
- It consists of **lectures** (2h per week) and **class sessions** (2h per week). Classes will be taught by Alexey Cherepnev
- Lectures will be based on **Lecture Notes**, Class Sessions on **Problem Sets**, and all material will be closely integrated

**Course book:** *Carl Walsh, Monetary Theory and Policy, MIT Press, 3rd edition, 2010*

This book is a bit too rich and comprehensive for our purposes

- we will be selective in terms of substance  
(and those selected parts you are expected to read very carefully!)
- we will add additional papers to make the material accessible
- we will use the class sessions to learn and discuss the techniques

**The course consists of 2 main parts:**

**Part I:** Modelling Money in General Equilibrium: a Primer  
(*Idea:* how to go from the neoclassical growth model to a first and small monetary DSGE-model?)

**Part II:** Money and Public Finance:  
Selected Issues from a Normative and a Positive Perspective

**Moreover, there will be extra lectures on:**  
Central bank objectives in practice  
Monetary policy aspects of the European debt crisis

## **Aim of the course:**

- Get excited about the field of monetary economics
- Understand main policy challenges
- Learn the advanced techniques that are used to address these challenges, in academia and policymaking circles

Start of Lectures: **Tuesday, 23 April**, 16.15-17.45, HS III

Start of Classes: **Wednesday, 8 May**, 12.15-13.45, HS I