

# Syllabus

## 1. Course Description

- a. Title of a Course: **MONETARY ECONOMICS**
- b. Pre-requisites: Intermediate microeconomics, Intermediate macroeconomics, Optimization theory, Basic knowledge of game theory, probability and statistics
- c. Course Type: Compulsory
- d. Abstract: This module is designed as a self-contained introduction to modern monetary economics and policy. It covers the question of how central banks go about setting monetary policy, both traditional and unconventional, the empirical evidence, and the models that go along with the monetary policy. Module focuses on the New Keynesian framework but also provides also brief overview of competing theories of the past, given that curious student can find more information during self-study in advised materials.

## 2. Learning Objectives

The goal of the course is to provide knowledge, covering practical issues in central bank decision making process, mainstream theoretical framework, instruments and transmission mechanisms for developed countries and Russian economy.

## 3. Learning Outcomes

After the course, students will build up knowledge to foresee possible changes in monetary policy given the business cycle fluctuations and analyze probable outcome of monetary policy on main macroeconomic and financial indicators.

## 4. Course Plan

- 1) Empirical evidence on the effects of monetary policy.
- 2) Systematic monetary policy.
- 3) Traditional monetary policy trade-offs.
- 4) New Keynesian framework.
- 5) Central bank goals and instruments.
- 6) Credit and banking in the transmission mechanism.
- 7) Unconventional monetary policy.
- 8) Monetary policy in open economy.

## 5. Reading List

### a. Required

- Walsh C. E. Monetary Theory and Policy. MIT Press, 2003.
- Romer, D. Advanced Macroeconomics. McGraw-Hill/Irwin. 2012
- Lewis M. K. Monetary economics. Oxford University Press. 2000

### b. Optional

- McCallum B. T. International monetary economics. Oxford University Press. 1996.
- "Monetary Policy Guidelines for 2019-2021", Central Bank of Russia: Moscow, 2018  
[http://www.cbr.ru/Content/Document/File/48476/on\\_19-eng.pdf](http://www.cbr.ru/Content/Document/File/48476/on_19-eng.pdf)

## 6. Grading System

Students' performance is evaluated on a 10-point mark scale as follows:

<b>Points</b>	<b>Description</b>
10	Distinguished performance
8-9	Excellent performance
6-7	Good performance
4-5	Satisfactory performance
0-3	Fail

The rounding of the definitive performance grade is conducted in accordance with the standard mathematical rounding rules. The rounding of the intermediate grades is not conducted to avoid the rounding bias.

## 7. Guidelines for Knowledge Assessment

The final grade consists of weighted average of midterm test (20%) and final exam (80%).

## 8. Methods of Instruction

The instructors use traditional methods of instruction by providing well-structured reading during contact hours with a lot of illustrations, problems and real case studies and discussing the materials.

## 9. Special equipment and software support

Not required.