

Master of Economics

Lecture Title:	Monetary Economics		
Lecturer:	Pontus Rendahl		
Lecture Code:		ECTS:	
Term:		Contact hours:	
Lecture Dates:	March 27 – April 7		
Final Exam:		Frequency of lecture:	
Prerequisites:			
Language of instruction:	English		
Contact information			
	Telephone: +44 (0) 7720 577 439	Email: pontus.rendahl@gmail.com	
Office hours			
Course website			
Learning Objectives: (What are the intended learning outcomes? Which skills will be acquired?)	This course will introduce some core concepts in modern monetary macroeconomics. In particular we will discuss how and why money may, or may not, matter in the real economy; the relationship between money, debt, and inflation; how the price level may be determined; optimal monetary- and fiscal policy; sovereign default; time consistency; and (maybe some) solution techniques.		
Content: (Which professional competence and which contents will be imparted?)	Introducing money in economic models (CIA, MiU, and the cashless limit). Six monetary doctrines The equation of exchange (or quantity equation) Deficits (may) cause inflation Fiscal prerequisites of zero inflation policy Unpleasant monetarists arithmetic Neutrality of money The Friedman rule Fiscal and monetary policy in normal times. Depression economics: Liquidity traps Internal devaluations Quantitative easing The importance of commitment: Price-level and NGDP targeting Fiscal policy		

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Teaching Approach: (Description of the learning and teaching methods)	Lectures and problem sets
Workload: (Definition of workload (ECTS), divided in pre-modules (e.g. pre-readings), core-modules (contact hours), post-modules (e.g. case studies)):	
Required literature: (scripts, books, articles, cases, papers)	``Evil is the root of all money'', Nobuhiro Kiyotaki and John Moore</p> <p>Krugman, Paul R. ``It's baaack: Japan's Slump and the Return of the Liquidity Trap''. \emph{Brookings Papers on Economic Activity}, vol. 2, 1998. Rendahl, Pontus. ``Fiscal Policy in an Unemployment Crisis'', \emph{Review of Economic Studies}, vol. 83 (3), 2016, pp. 1189-1224.
Recommended literature: (books, articles, cases, papers)	Recursive Macroeconomic Theory, 2nd edition, by Lars Ljungqvist and Thomas Sargent Monetary Theory and Policy, by Carl E. Walsh Monetary Policy, Inflation, and the Business Cycle, by Jordi Gali Interest & Prices, by Michael Woodford Advanced Macroeconomics, fourth edition}by David Romer. (Chapter ``The Zero Lower Bound on the Nominal Interest Rate'' (pp. 550-554))
Special features: (e.g. excursion, guest speaker):	
Mode of examination: (Mode of examinations and tests (e.g. oral or written examination, lecture, homework, papers, class	Written closed book exam and problem sets

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participation)):	
Grading:	Final written exam: (80%) Problem sets: (20%)