Aims
EC3323, Monetary Economics is a third year undergraduate course. Its aim is to gain insight into more recent approaches to monetary policy, and to developments in understanding and applying such policy. Students should have a solid grounding in microeconomics, macroeconomics and mathematics, including calculus.

Learning Outcomes
The main objectives of the course will be to understand the role of money in the economy as well as to understand some models where inflation shows persistence, the theory of monetary policy, monetary policy operating procedures and the central banking mechanisms. By the end of the course, you should understand, among other things, why inflation is persistent in the data and how the political forces affecting monetary policy making may affect inflation.

Course Delivery
The course will be delivered through a two-hours lecture and a one-hour seminar each week. Prescribed readings are provided for each week of the course. Seminars will provide an opportunity for further investigation and manipulation of models, and to solve assigned problems, as well as to discuss current policy issues in macroeconomics.

Assessment
Formative assessment:
- Weekly problem sets / seminar homework questions. Students are encouraged to complete by writing the weekly seminar homework questions in advance. Those assignments will be discussed during seminars and will not have a formal weight in the final mark.

Summative assessment:
- 2-hour unseen examination, which contributes 75% of the final mark and is taken during the Exam Term. The exam will test your knowledge and understanding of the material covered in the course; your ability to manipulate diagrammatic and algebraic versions of the models you have learned; your ability to apply models to ‘real’ economic situations; your ability to critically appraise models and their application. The exams may feature multiple choice, fill-in-the-blanks, open-ended problems, or any combination of those.
Coursework, in the format of a 2000 words essay, is due by the end of the last week of the term: 23:59 on 29 March 2020 through Moodle. The coursework contributes 25% of the final mark and will give you the chance to demonstrate your understanding of the contents learned and to develop your ability to critically analyse arguments and finish a project. Details of the coursework will be announced during the first lecture. A written description of the assignment is available on Moodle. You are encouraged to seek further assistance on this assignment during office hours.

Deadline Policy
All deadlines are final, and there will be no extensions. To illustrate, if the stated deadline is 29th March, it is due 23:59 on that day. If it is one minute after that time, it is late. In accordance with College rules, the penalty for late submission is 10 marks if it is up to 24 hours late. After that point, the assignment will receive a mark of zero.

Reading
We will rely mainly on the following textbooks:

Some of the material will come from research papers and articles summarizing cutting-edge issues or state-of-the-art debates.

Weekly Class Schedule

Week 02. Basics of banking.
Week 04. Money supply and interest rates. The tools of monetary policy.
Week 05. Goals and conduct of monetary Policy. Transmission mechanisms of monetary policy.
Week 06. Reading week, no classes
Week 07. The money supply process. Monetary policy theory.
Week 08. Quantity theory, inflation, and the demand for money.
Week 09. Monetary policy, aggregate demand and supply.
Week 11. Monetary policy at the zero lower-bound. The future of monetary policy.
Week 12. Reading week, no classes

Please note that the weekly schedule is subject to change.

Good luck,
P. Stankov