

Syllabus

for course at first level

Monetary Policy
Monetary Policy

**7.5 Higher Education
Credits**
7.5 ECTS credits

Course code:	EC2205
Valid from:	Autumn 2010
Date of approval:	2010-05-27
Department	Department of Economics
Subject	Economics

Decision

This syllabus was approved by the Board of the Department of Economics 27 May 2010.

Prerequisites and special admittance requirements

Course structure

Examination code	Name	Higher Education Credits
220A	Monetary Policy	7.5

Course content

This course provides an overview of the effects, goals and means of monetary policy. The first part of the course covers the transmission mechanism of monetary policy under different assumptions of how the economic system works. It also covers the factors determining the yield curve. The second part of the course focuses on the socioeconomic outcome of different objective functions and decision rules of monetary policy. Optimal monetary policy under different conditions is analysed along with the credibility problem. All course components are consistently put in relation to the current monetary policy situation, but monetary policy at near-zero interest rates is also featured as a component of its own.

Learning outcomes

Upon completion of this course, the student is expected to be able to analyse different problems of monetary policy using basic concepts and frames of analysis. The student should be able to describe and evaluate different goals and means of monetary policy under different conditions, both with the help of graphs and by using simple mathematical methods.

Education

Instruction is given in the form of lectures. The language of instruction is English.

Forms of examination

The course is examined as follows:

- * Basis of assessment 1: Written examination with a maximum score of 100 points
- * Basis of assessment 2: Written assignments

Students will receive letter grades on a seven-point scale related to the learning objectives of the course. Passing grades are A, B, C, D and E, where A is the highest grade and E the lowest. Failing grades are F and Fx, where F is lower than Fx.

Basis of assessment 1

Students will receive letter grades on a seven-point scale related to the learning objectives of the course. Passing grades are A, B, C, D and E, where A is the highest grade and E the lowest. Failing grades are F and Fx, where F is lower than Fx.

A (Excellent): The student is able to describe the basic concepts and theories of monetary policy. The student is able to analyse a monetary policy problem that may not be directly discussed in the course material in a correct and well-structured manner. The student is able to choose an appropriate theory/model for the analysis and motivate this choice in a clear and distinct manner. The student is also able to carry out a nuanced discussion on the subject of what conclusions can be drawn about monetary policy problems from the theoretical analysis. Requires at least 90 points.

B (Very Good): The student is able to describe the basic concepts and theories of monetary policy. The student is also able to analyse a problem that is directly discussed in the course material in a correct and well-structured manner based on a given theory/model. The student is also able to carry out a nuanced discussion on the subject of what conclusions can be drawn about monetary policy problems from the theoretical analysis. Awarded for 75-89 points.

C (Good): The student is able to describe the basic concepts and theories of monetary policy. The student is able to analyse a problem that is directly discussed in the course material in a correct and well-structured manner based on a given theory/model. The student is also able to carry out a discussion on the subject of monetary policy problems based on the theoretical analysis. Awarded for 60-74 points.

D (Satisfactory): The student is able to describe the basic concepts and theories of monetary policy. The student is able to analyse a problem that is directly discussed in the course material in a correct manner based on a given theory/model. Awarded for 50-59 points.

E (Adequate): The student is able to describe the basic concepts of monetary policy as well as the essential components of monetary policy theories in a fairly correct manner. The student is also able to analyse a problem that is directly discussed in the course material in a fairly correct manner based on a given theory/model. Awarded for 40-49 points.

Fx (Inadequate): The student fulfils the above requirements for E in principle, but has failed to provide clear argumentation upon request.

F (Totally Inadequate): The student is unable to analyse a problem that is directly discussed in the course material based on a given model in a fairly correct manner. Awarded for 0-39 points.

Basis of assessment 2

The course includes five written assignments to be completed in groups of 2-4 students. Each assignment awards up to three points that the student may add to the score of the written examination.

Interim

If this course is discontinued, students have the right to be examined on the course once per semester for three further semesters.

Required reading

* Bains, K. and Howells, P., Monetary Economics: Policy and its Theoretical Basis, Palgrave MacMillan, latest edition.

* Articles. Full list available on the course website.