

SYLLABUS for the course: Monetary Economics, Bachelor

Basic data for the course	
Academic unit:	Faculty of Economics
Title of the course:	Monetary Economic
Level:	Bachelor
Status of the course:	Mandatory
Year of studies:	3
Number of hours per weel:	2+1
ECTS credits:	6
Time/location:	<i>To be decided by the Dean</i>
Tutor:	Neshat Podvorica
Tutor's contact details:	Faculty of Economics, UP, Office 53 E-mail: neshat.podvorica@uni-pr.edu Consultations: Wednesday - Friday 10:00 – 12:00
Content of the course	
Content of the course	This course is concerned with the theory and practice of monetary policy in the modern market economy, with particular reference to the EU and U.S. economy and institutional framework. Topics covered include: the ability of the central bank to regulate the supply of money and credit conditions; factors affecting the demand for money; and the relationship between changes in the money supply and interest rates and the impact of changes in each of these on other economic variables.
Course's objectives:	
Course's objectives:	This course aims at: Equipping the students with the basic concepts regarding of theoretical and practical issues of monetary policy and its effectiveness in the national economy. Classical models actually predict monetary policy has no impact on any real variables in the economy, but monetary policy practice clearly demonstrates otherwise. Therefore there is much debate about what market imperfections exist to allow monetary policy to have real effects on the economy, how large these impacts are, and how to design policy that is effective in the long-run. These issues are further complicated by new issues such as financial market innovation and global economic integration. The purpose of this course is to give students an

	overview of current and old ideas to evaluate how central banks should manage their economies.		
The expected outcomes:	<p>Upon finishing this course, the students are expected to:</p> <ol style="list-style-type: none"> 1. Understand different theories for money demand and money supply. 2. Understand competing theories of monetary policy transmission and modern challenges. 3. Understand theories that prescribe appropriate and executive monetary policy targets. 4. Understand monetary policy issues arising from an open economy. 5. Know about recent monetary policy history in the European Union, United States and abroad. 		
The students' workload (hours per semester, ECTS)			
Activity	Hours	Day/Week	Total
Lectures	2	15	30
Seminars (theoretical and practical)	2	15	30
Case studies			
Direct contact with tutor			4
Field research			
Colloquiums	3	2	6
Homework			4
Individual study (at library or at home)	3	15	45
Final preparation for the exam	4	4	16
Evaluation	4	4	16
Projects, presentation etc.			
Total			151
Teaching methods:	<p>Each week, 2 hours of lectures and 2 hours of seminars/discussions are organised. Case studies and homework are given after each lecture for students to study and research in their own time. Results from such activities are then discussed in the following week. Students are being encouraged to follow the current economic developments, through reading relevant articles, economic newspapers and other materials. They can identify</p>		

	<p>issues/topics for discussions from such readings. Essays prepared by students are then discussed. Individual and group presentations are also encouraged.</p>
<p>Assessment methods:</p>	<p>In order to have a fair and appropriate assessment of students throughout the semester, the final mark consists of points that students earned in all activities throughout the semester in lectures, seminars, presentations, essays etc. These are calculated as follows:</p> <ul style="list-style-type: none"> - First assessment 35% - Second assessment 35% - Active participation 10% - Seminar 10 % - Exercises 10 % <li style="padding-left: 40px;">Total 100% <p>Only students who consistently attend lectures and exercises are eligible to participate in the tests.</p> <p>The following aspects are being considered during the assessment:</p> <ul style="list-style-type: none"> - The interpretation of the topic, - The depth of understanding the topic, - The use of literature, - Evaluation of the evidence, - Critical analysis and - The logic of building arguments. <p>In addition, the following are also considered toward the final mark:</p> <ul style="list-style-type: none"> - Academic writing, - Presentation of data and references, - The length of writing and - Overall presentation.
<p>Literature</p>	
<p>Basic literature:</p>	<p>1. Mishkin, F. S., 2007, The Economics of Money, Banking, and Financial Markets, Boston: Addison Wesley.</p> <p>Bain, K. and Howells, P.G.A., 2003, Monetary Economics: Policy and Its Theoretical Basis, New York: Palgrave MacMillan S</p>

Additional literature:	Central Bank Publications, IMF and WB
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The detailed plan of work:

Week	Topic
<i>Wee 1</i>	Why study money and monetary policy and an overview of the financial system.
<i>Wee 2</i>	Money and Interest Rates
<i>Wee 3</i>	Banking and the monetary policy transmission mechanism
<i>Wee 4</i>	Central Banking and monetary policy direction 1
<i>Wee 5</i>	Central Banking and monetary policy direction 2
<i>Wee 6</i>	The Money Supply Process
<i>Wee 7</i>	First assessment
<i>Wee 8</i>	Tools of Monetary Policy
<i>Wee 9</i>	Conduct of Monetary Policy: Goals and Targets
<i>Wee 10</i>	IS/LM Curve,
<i>Wee 11</i>	Other theories of monetary policy, The Mundell / Flemming Model
<i>Wee 12</i>	Monetary policy and exchange rates
<i>Wee 13</i>	Euroization and Monetary Policy: The Case of Kosovo 1
<i>Wee 14</i>	Euroization and Monetary Policy: The Case of Kosovo 2
<i>Wee 15</i>	Second assessment

Academic policies and code of conduct:

Students are expected to participate in lectures, seminars and group discussions. Tutor is available for individual consultations as well. Students are required to read the literature before each lecture. Students are not obliged to undertake the intermediate assessments during the semester. They should respect the code of conduct during lectures and exams and in communication with the academic staff.