

ECON30150: International Monetary Economics

This module will focus largely on how central banks conduct monetary policy, how they interact with the banking system and other financial markets and how they affect the economy.

Content

The module will have four parts to it:

1. Banks, Financial Intermediation and Central Banks
How banks operate, why they are important, what central banks are, how they create money and control interest rates.
2. Financial Instability
How banking crises come about, policies to prevent and deal with crises.
3. How Central Banks Affect the Economy
Term structure of interest rates, default risk and collateral, asset prices, effects of real interest rates on consumption and investment.
4. The Limits to Monetary Policy and Central Bank Strategy
Inflation and the Phillips curve, central bank institutions, goals and strategies, rules for setting interest rates.

Course Materials

The key points to remember here are:

1. The main course materials will be my lecture notes, available on my website. Go to www.karlwhelan.com and click on “Teaching” or type my name into Google.
2. I will not be using Blackboard apart from to direct you to my website and to load midterm grades.
3. There is no textbook. You will find plenty of material to read in the notes and the other readings I provide. If you really want a textbook, you could buy either *The Economics of Money, Banking, and Financial Markets* by Frederic Mishkin or

Money, Banking and Financial Markets by Steve Cecchetti. Neither of these books follow the structure of this course but they do contain quite a lot of relevant material. (But please don't send me emails asking me how what I'm teaching matches up with their books.)

4. I will also regularly refer to papers as well as speeches by central bankers and will provide links to these materials on the course webpage.

Assessment

Your grade for this module will be based on 30% for a multiple-choice mid-term exam (during Week 8—exact date to be announced later) and 70% for a final exam. Information on the format of final exam will be provided in a few weeks.

Contacting Me

- Room D216 in the Newman Building (i.e. this building)
- Telephone: 716-8239
- I don't have set office hours but am happy to arrange a meeting if you want to talk.
- Email (karl.whelan@ucd.ie) is the best way to arrange to meet me.