

MONETARY POLICY

Guido Traficante

Year: First Year

Period: First Semester

Scientific sector: Economic Policy (SECS – P/02)

Credits : 8

Total hours: 64

OBJECTIVES

The course analyzes the role of money, the conduction and the transmission of monetary policy in the advanced economies, and, finally, financial regulation. Finally, in light of the Great Recession and the sovereign debt crisis, we will study the interactions between monetary and fiscal policy.

TEACHING PROGRAM

1. Money demand: the quantity theory, the liquidity preference and basic portfolio theory.
2. Money supply and monetary policy. Objectives and instruments. Differences between the Federal Reserve and the European Central Bank.
3. Open market operations, the interest rate “corridor”, the interbank market.
4. Choice of monetary policy instrument under uncertainty.
5. Financial intermediaries, credit rationing, deposit insurance, macro-financial supervision and surveillance.
6. Monetary policy transmission: interest-rate channel, open-economy channel, credit and bank channels, stock price channel, house price channel.
7. Rules versus discretion in monetary policy.
8. Interaction between fiscal and monetary policy.

Modes of course: Lectures, Seminars and Practice.

Examination methods: Written exam.

Student Reception: Tuesday 11.00-12.00 or by appointment

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RECOMMENDED TEXTS

Di Giorgio, Giorgio, “Economia e Politica Monetaria”, CEDAM – Wolters Kluwer 2016, fifth edition.

Di Giorgio, Guido, Salvatore Nisticò, Alessandro Pandimiglio and Guido Traficante, “Problemi di Economia Monetaria”, CEDAM – Wolters Kluwer 2017, second edition.

Cecchetti, Stephen G. e Kenneth L. Schoenholtz, “Money, Banking and Financial Markets”, McGraw Hill, 2015, fourth Edition.

Walsh, Carl E., “Monetary Theory and Policy”, MIT Press 2017, fourth edition.