Monetary Theory and Policy I
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THE THEORY OF MONETARY POLICY

Part One — Monetary policy goals and instruments

Chapter 1 Definition and measurement of monetary aggregates
1.1 The criteria for choosing the components of an aggregate
1.2 The methods for constructing a monetary aggregate
1.3 The design of central bank digital currencies
[R: Ch. 1.1]

Chapter 2 Monetary policy goals and indicators
2.1 The evolution of monetary policy objectives
2.2 The typology of monetary policy objectives
2.3 Monetary policy indicators
[R: Ch. 7.1-7.2]

Chapter 3 Monetary policy instruments
3.1 Traditional monetary policy tools
3.2 Modern monetary policy instruments
3.3 Scope and limits of monetary policy interventions
[R: Ch. 8.1-8.2]

Part Two — Monetary policy strategies and transmission mechanisms

Chapter 1 Monetary targeting strategies
1.1 The characteristics of monetary targeting
1.2 The pros and cons of monetary targeting
1.3 Scope and limits of monetary targeting
[R: Ch. 7.3.1]

Chapter 2 Inflation targeting strategies
2.1 The characteristics of inflation targeting
2.2 The pros and cons of inflation targeting
2.3 Scope and limits of inflation targeting
[R: Ch. 7.3.2]

Chapter 3 Monetary policy transmission channels
3.1 The traditional channels (“money view”)
3.2 The channels concerning asset prices
3.3 The most recent channels (“credit view”)
[R: Ch. 8.3]

Part Three **Monetary policy rules and institutions**

Chapter 1 The debate on “rules or discretion?”

1.1 The origin of the debate

1.2 Some monetary policy rules

1.3 Monetary policy lags

[R: Ch. 9.1]

Chapter 2 The dynamic inconsistency problem

2.1 Discretionary monetary policies

2.2 Time-consistent monetary policies

2.3 The importance of external communication

[R: Ch. 9.2]

Chapter 3 Central bank credibility, independence, and accountability

3.1 Central bank credibility

3.2 Central bank independence

3.3 Central bank accountability

[R: Ch. 9.3]

[The indications in brackets refer to the corresponding chapters in the textbook: R = Rossi (2008).]

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