

THE THEORY OF MONETARY POLICY

Course aims

- To provide students with the body of knowledge required in order to understand the theoretical foundations of current monetary policy.
- To provide students with the analytical tools to be used in addressing current policy issues in monetary economics.

Learning purposes

At the end of this course, students must:

- understand the methods available for the construction of any monetary aggregates;
- be able to explain monetary policy goals, tools, and transmission mechanisms;
- understand the scope and limits of monetary targeting strategies;
- understand the institutional elements of current monetary policy making as well as the importance of central banks' credibility and accountability;
- understand the importance of communicating monetary policy decisions to the public;
- be able to understand recent monetary policy literature at an advanced level of investigation.