

Course Outline
320.326 (KS) WS 2015-16
Monetary Economics and the European Union

Instructor: Professor Robert J. Hill

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Consultation times for winter semester 2015-16: Wednesdays 10:00-12:00

Textbooks:

Mishkin F. S. (2006), *The Economics of Money, Banking and Financial Markets*, Pearson: Addison-Wesley, Eighth Edition (MK)

De Grauwe P. (2014), *Economics of Monetary Union*, Oxford University Press, Tenth Edition (DG)

Assessment:	Class participation	5 percent
	Midterm exam	40 percent
	Final exam	55 percent

Provisional Lecture Schedule

Week 1 – (6 October 2015) – Money, banks, exchange rates, and the quantity theory of money
MK – Chapters 3, 18, 19

Week 2 – (13 October 2015) – Keynes theory of liquidity preference, Hicks and ISLM
MK – Chapters 19, 20, 21

Week 3 – (20 October 2015) – Friedman and monetarism
MK – Chapters 19, 23

Week 4 – (27 October 2015) – Rational expectations and optimal policy design
MK – Chapter 25 (supplemented by the Barro-Gordon model from DG – Chapter 2)

Week 5 – (3 November 2015) – Tutorial covering material from Weeks 1-4

Week 6 – (10 November 2015) – Midterm exam

Week 7 – (17 November 2015) – Inflation targeting
Assigned readings

Week 8 – (24 November 2015) – Lessons from the global financial crisis

Assigned readings

Week 9 – (1 December 2015) – The costs and benefits of monetary union

DG – Chapters 1 and 5

Week 10 – (15 December 2015) – Optimum currency areas and the Eurozone

DG – Chapters 2-4 and 7

Week 11 – (12 January 2016) – Monetary and fiscal policy in the European Union

DG – Chapters 8-9

Week 12 – (19 January 2016) – Tutorial covering material from Weeks 7-10

Week 13 – (26 January 2016) – Final exam