

Course Descriptions None 2019-2020

Course Title	ECB and Monetary Policy																												
Course Code	EBC4023																												
ECTS Credits	6,5																												
Assessment	None																												
Period	Period	Start	End	Mon	Tue	Wed	Thu	Fri																					
	1	2-9-2019	25-10-2019		X			X																					
Level	Advanced																												
Coordinator	Clemens Kool For more information:c.kool@maastrichtuniversity.nl																												
Language of instruction	English																												
Goals	<ul style="list-style-type: none"> * To understand and apply the workhorse (3-equation) model for macroeconomic analysis in a closed economy * To understand the role of expectations in modern macroeconomics and monetary policy * To understand the role of the banking sector in the interaction between the monetary policy and the real economy * To understand and analyse causes and consequences of financial crises * To understand and discuss the relevance of the institutional design of the central bank * To understand and discuss the effectiveness of monetary policy in the short run and the long run 																												
Description	<p>The 2008 financial crisis and the subsequent Great Recession have put monetary policy once again in the spot lights. On the one hand central banks are blamed for creating the crisis, on the other hand they are relied on to provide a way out of economic stagnation. Even almost 10 years later, we are still facing extreme monetary conditions. Interest rates are at the zero lower bound and central banks struggle with the question of how long to continue unconventional monetary policies and when and how to reverse these.</p> <p>This course aims at deepening students' knowledge of the relation between monetary and real phenomena in an economy, to facilitate a thorough analysis of the role of (ECB) monetary policy. In particular, we focus on</p> <ul style="list-style-type: none"> * the role of money in the economy and the effectiveness of monetary policy in the short run and the long run, * the relation between money and credit and the role of commercial banks and the central bank in their creation * the transmission channels from monetary policy to the real economy under various conditions, and the role of the banking sector in the transmission- the causes and consequences of financial crises * the distinction between the goals and implementation of monetary policy (macroeconomic stability) and macro-prudential policy (financial stability) * the optimal design of monetary policy (independence, transparency and accountability; rules vs discretion; reputation and credibility), * the actual position and policies of the European Central Bank (including a visit) 																												
Literature	<ul style="list-style-type: none"> * W. Carlin and D. Soskice, Macroeconomics: Institutions, Instability and the Financial System, 3rd edition, 2014, Oxford University Press, selected chapters. * Selected articles. 																												
Prerequisites	<p>Second-year macro-economics (BSC; level book Blanchard Et Al "Macroeconomics: A European Perspective").</p> <p>Exchange students need to have obtained a Bachelor degree with a major in Economics or Econometrics.</p>																												
Teaching methods	PBL / Presentation / Lecture / Papers / Groupwork																												
Assessment methods	Final Paper / Participation / Written Exam																												
Evaluation in previous academic year	For the complete evaluation of this course please click http://iwio-sbe.maastrichtuniversity.nl/rapporten.asp?referrer=codeUM																												
This course belongs to the following programme / specialisation	<table border="1"> <tr> <td>Master Econometrics and Operations Research - Econometrics</td> <td>Elective Course(s)</td> </tr> <tr> <td>Master Econometrics and Operations Research - Mathematical Economics</td> <td>Elective Course(s)</td> </tr> <tr> <td>Master Econometrics and Operations Research - No specialisation</td> <td>Free Elective(s)</td> </tr> <tr> <td>Master Econometrics and Operations Research - Operations Research</td> <td>Elective Course(s)</td> </tr> <tr> <td>Master Financial Economics - Asset Pricing</td> <td>Compulsory Course(s)</td> </tr> <tr> <td>Master Financial Economics - Banking</td> <td>Compulsory Course(s)</td> </tr> <tr> <td>Master Financial Economics - Financial Analysis</td> <td>Compulsory Course(s)</td> </tr> <tr> <td>Master Financial Economics - No specialisation</td> <td>Compulsory Course(s)</td> </tr> <tr> <td>Master Fiscal Economics</td> <td>Economics Elective(s)</td> </tr> <tr> <td>SBE Exchange Master</td> <td>Master Exchange Courses</td> </tr> <tr> <td>SBE Non Degree Courses</td> <td>Master Courses</td> </tr> </table>							Master Econometrics and Operations Research - Econometrics	Elective Course(s)	Master Econometrics and Operations Research - Mathematical Economics	Elective Course(s)	Master Econometrics and Operations Research - No specialisation	Free Elective(s)	Master Econometrics and Operations Research - Operations Research	Elective Course(s)	Master Financial Economics - Asset Pricing	Compulsory Course(s)	Master Financial Economics - Banking	Compulsory Course(s)	Master Financial Economics - Financial Analysis	Compulsory Course(s)	Master Financial Economics - No specialisation	Compulsory Course(s)	Master Fiscal Economics	Economics Elective(s)	SBE Exchange Master	Master Exchange Courses	SBE Non Degree Courses	Master Courses
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