This course surveys the growing field of monetary economics. It will acquaint you with a large body of theoretical and empirical work, and it will bring you to the research frontier in some areas. The course is designed to orient you toward thinking about research topics, and a research paper is required.


**Requirements:**

- Mid-term Exam  25%
- Final Exam  35%
- Paper  30%
- Homework and class participation  10%

**Preliminary Reading List**

I. Empirical Evidence on the Effects of Money

Walsh, Ch. 1

II. Modeling the Demand for Money

Walsh, Chs. 2, 3


III. The Government Budget Constraint

Walsh, Ch. 4


Daniel, Betty C. “Exchange Rate Crises and Fiscal Solvency,” *Journal of Money, Credit, and Banking*, 42 (September 2010), 1109-1135.


IV. Short-Run Monetary Policy

Walsh, Ch. 5, 6


V. Time Inconsistency of Policy

Walsh, Ch. 7


VI. New Keynesian Monetary Economics

Walsh, Ch. 8


VII. Financial Markets and Monetary Policy

Walsh, Ch. 10


VIII. Monetary Policy Operating Procedures

Walsh, Ch. 11.


Homework:
You will receive several homework assignments during the semester. These will include mathematical problems for you to solve as well as conceptual questions based on class material and assigned readings. Homework assignments are due on time. Late homework will be downgraded one letter grade.

Paper:
You will write a research paper over the course of the semester and present your work to the class in the last few weeks of class. Choose a good paper, possibly one on the syllabus, and change something in the paper. It can be an assumption, a data set, a calibration, or possibly something else. Rewrite the paper with the change.