

# Monetary Macroeconomics

## 1. Course information

Lecturer: Dr. Pinar Yeşin

Time: Fridays 10:15-12:00 CET

Place: Online lectures via Zoom

Office hours: Tuesdays 16:00-17:00 CET

E-mail: [pinar.yesin@snb.ch](mailto:pinar.yesin@snb.ch)

Course webpage: <https://www.pinaryesin.com/teaching>

## 2. Course description

In this course, we will build elegantly simple yet rigorous models of money and banking to replicate essential features of actual monetary economies. In an overlapping-generations framework, we will explain aggregate economic phenomena as the implications of the choices of rational individuals who seek to improve their welfare within their limited means.

Some of the topics that will be studied are theories of money demand and money supply, inflation, financial intermediation and banking, banking practices and regulations, role of the central bank, and fiscal and monetary policy, among others.

A link to real world situations will be provided, but the focus of the course will be theoretical money and banking models with microeconomic foundations.

## 3. Textbook

The required textbook of the course is *Modeling Monetary Economies* by Bruce Champ, Scott Freeman, and Joseph Haslag, Cambridge University Press, 2016, fourth edition.

Furthermore, some journal articles will support the topics covered in the textbook. I will give their references when we discuss them.

## 4. Final exam

An online final exam with open-ended questions and multiple-choice questions will take place on June 25. Further information will be provided in coming weeks.

## 5. Tentative schedule

Feb 26	Ch. 2: A simple model of money
Mar 5	Ch. 2 <i>continued</i> : A simple model of money
Mar 12	Ch. 3: Barter and commodity money Ch. 4: Inflation
Mar 19	Ch. 4 <i>continued</i> : Inflation Ch. 5: International monetary systems
Mar 26	Ch. 6: Price Surprises
Apr 16	Ch. 7: Capital Ch. 8: Liquidity and financial intermediation
Apr 23	Ch. 9: Central banking and the money supply Open Market operations Liquidity effect
Apr 30	Ch. 10: Money stock fluctuations Term structure of interest rates
May 7	Ch. 13: Bank risk Ch. 14: Liquidity risk and bank panics
May 14	Ch. 15: Deficits and the national debt
May 21	Ch. 16: Savings and investment
May 28	Ch. 17: The effect of the national debt on capital and savings Ch. 18: The temptation of inflation
Jun 4	Review session including Q&A
Jun 25	<i>FINAL EXAM</i>