

Monetary Policy

Third year module

Lecturer: [Peter Sinclair \(/staff/profiles/business/sinclair-peter.aspx\)](/staff/profiles/business/sinclair-peter.aspx)

This module builds on the main macroeconomic models studied at Level 2 with a particular emphasis on the role of monetary policy, and its effectiveness or otherwise, in those models. The first part of the course will consider some of the building blocks of a monetary macroeconomic model such as the demand for money, supply of money and the term structure of interest rates. The latter part of the course will concentrate on policy issues relevant to the conduct of modern monetary policy such as credibility, the transmission mechanism, the welfare costs of inflation and inflation targeting.

Learning outcomes

On completion of this module the student will be able to : situate the theoretical models studied at Level 2 in the context of modern macroeconomics research and discuss the main issues relating to the effectiveness of monetary policy; read and understand selected papers from professional journals; discuss issues relating to the conduct of monetary policy both in the UK and in the wider international economy.

Assessment

2hr written examination (100%)