



**Trinity College Dublin**

Coláiste na Tríonóide, Baile Átha Cliath

The University of Dublin

# Money and Banking B

**Module Code: ECU33022**

**Module Title: Money and Banking B**

- **ECTS Weighting:** 5
- **Semester/Term Taught:** Semester 2
- **Contact Hours:** 22 hours of lectures and 8 hours of tutorials
- **Module Personnel:** Lecturer - Professor Joe Kopecky

## Learning Outcomes

On successful completion of this module, you will be able to:

- Discuss the recent performance of financial markets and government intervention strategies in light of economic theory;
- Examine the nature of money, definitions of the money supply and different approaches to determining how the money supply is created;
- Explain monetary theory and its relevance to macroeconomic policy against the background of the main financial institutions and markets;
- Discuss current issues in relation to the formulation and operation of monetary policy related to: implementation, objectives, and independence of central banks.

## Module Content

The module covers contemporary monetary economics and its application to the conduct of monetary policy. As well as reviewing the relevant academic literature, the module deals with the experience of the main central banks, with a particular focus on the European Central Bank. The module first analyses the nature of money and the long-run relation between money and prices and economic activity. It then examines a number of key issues in regard to contemporary monetary policy: monetary policy rules, the role of expectations and the transmission mechanism. For this purpose, the course presents the New Keynesian model which is now widely used for the purpose of analysing monetary policies. The course then looks at the monetary policy strategies of the major central banks as well as the operational frameworks by which they steer interest rates. The module concludes by looking at the conduct of monetary



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policy during the financial crisis, covering issues such as non-standard measures, the implications of the zero bound on nominal interest rates and the role of monetary policy in contributing to financial stability.

### Recommended Reading List

#### Primary Reading:

- Cecchetti, Stephen G. and Schoenholtz, Kermit L. *Money, Banking and Financial Markets* 3rd ed. (McGraw-Hill, 2011)

#### Additional Readings:

- Matthews, Kent and John Thompson. *The Economics of Banking*, 2nd ed. (Wiley, 2008)

NB: Additional readings will be suggested in lectures

### Module Pre Requisite

ECU22011 & ECU22012 Intermediate Economics, ECU22031 & ECU22032 Mathematical and Statistical Methods

### Assessment Details

- 40% Course work
- 60% Examination

### Module Website

Blackboard