

Eco5410 Monetary Economics

Spring 2021

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Course Objective:

This course is a graduate-level survey of monetary economics with an emphasis on macroeconomic elements. The major focus will be on models and theories of money but relevant empirical literature will be incorporated as well. The topics include both flexible price models and sticky price models with money. The topics on China's monetary policy will also be discussed.

Required Textbook:

C. Walsh, *Monetary Theory and Policy* (4th Edition), MIT Press, 2017.

Additional References:

M. Woodford, *Interest and Prices*, Princeton University Press, 2003.

《从此岸到彼岸：人民币汇率如何实现清洁浮动》，缪延亮 著，中国金融出版社
《现代金融学：货币银行、金融市场与金融定价》，张成思 著，中国金融出版社
《货币理论与政策》（第四版），卡尔·瓦什著，彭兴韵 郑黎黎 曾刚 译，上海人民出版社

Course Evaluation:

Grades for this course will be based on the following weighted average of three components: assignment (50%) and a final examination (50%).

Major Topics:

1. ISLM model in open economy;
2. Empirical Evidence on Money, Prices, and Output.
3. Money-in-the-Utility Function;
4. Cash-in-Advance Models;
5. Lucas Island Model;
6. Limited participation Model.
7. Fischer and Taylor Model.
8. CKM model and Inflation bias.
9. Selected Topics

Notes: All students are expected to read and understand The Chinese University of Hong Kong's policies with regard to academic dishonesty. These policies are available at the following web addresses: <http://www.cuhk.edu.hk/policy/academichonesty/>.