

Course title: Monetary Economics			
Lecturer: Marko Malovic			
Course status: Elective, Seventh Semester			
ECTS: 8			
Requirements: none			
Course aims: The main aim of this course is to educate students about theories and applied aspects of monetary economics, as well as to present and evaluate the latest achievements in the field. Monetary economics introduces money into relationships and transactions between market agents for the purposes of payment, charging or price discovery of various financial instruments. Laws and interactions that we study in monetary economics have a feedback impact on the real variables in terms of what, how much and at the expense of which other activity may be produced, invested, saved or consumed in a given economy.			
Course outcome: The student will at the end of the course become versed in monetary analysis, theories and monetary policies. Capability of students to identify elements and building blocks of monetary theory, realise relationships among them, speed and directions of monetary transmission. Capability to reason, defend or criticise certain monetary constructs and monetary policies at hand, capability to envisage effects of chosen monetary instruments and strategies being deployed, ability to utilise monetary ideas for monetary policy formulation or business response (optimal firm behaviour) to exogenous monetary policy stance.			
Course content: 1. Money (definitions and functions) vs. structure of a financial system and their role in the economy; 2. Money supply and monetary aggregates; 3. Money demand; 4. Central banking: ideas, objectives, instruments and transmission; 5. Inflation, deflation and repercussions; 6. Traditional concepts of monetary policy; 7. Modern monetary strategies; 8. World financial crisis and (r)evolution in monetary policy making			
Recommende Literature: Reading List Malovic, M. "Money Theory and Monetary Policy in a Small Open Economy", IES, Belgrade, 2014 (in Serbian) Bofinger, P. "Monetary Policy", Oxford University Press, 2001 Further Reading Woodford, M. "Interest and Prices", Princeton University Press, 2003 or later			
Number of sessions per week	Lectures: 3	Recitations: 3	
Teaching methods: Ex cathedra lectures with the use of various didactic aids (slides, cartoons, round table analysis). Guest lectures from experts in the region.			
Knowledge assessment			
Pre-exam	%	Final exam	%
In-class activity and attendance	25	Written exam	35
Mid-term tests	30	Oral exam	by appointment only
Term paper	10		