Monetary Policy (PhD)

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Contents

1. Introduction and motivation
   a. The role and functions of money
   b. Money creation in theory and practice
   c. Monetary policy in theory and practice
   d. Excurs: Are crypto-assets (e.g. Bitcoin) money?

2. Monetary policy in the New Keynesian model
   a. Interest rate rules
   b. Optimal monetary policy
   c. Unconventional monetary policy

3. Optimal monetary policy in the presence of distortionary fiscal policy
   a. Dynamic inconsistency
   b. Second-best optimal policies under commitment (Ramsey problem)
   c. Optimal Markov-perfect policies under lack of commitment

4. Strategic interactions between monetary and fiscal policy-makers
   a. Simple models of strategic policy interactions
   b. Dynamic models of strategic policy interactions
      i. The monetary instrument problem
      ii. The role of government debt

5. Monetary policy and financial stability regulation
   a. Pigouvian taxes and bank capital regulation
   b. Liquidity regulation

Suggested Readings (preliminary)

1. Introduction and motivation

2. Monetary policy in the standard New Keynesian model
3. Optimal monetary policy in the presence of distortionary fiscal policy

4. Strategic interactions between monetary and fiscal policy-makers

5. Monetary policy and financial stability regulation

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