Monetary Policy  
B30.2333.30
SAMPLE OUTLINE- topics subject to change

Session 1 (February 9):
Overview of the economic environment. The structure of the Federal Reserve.

The Board of Governors, the Federal Open Market Committee, the special role of the New York Fed. How the Fed communicates with markets (FOMC statements, speeches by Fed officials, the Beige Book).

Session 2 (February 23):
Main objectives of monetary policy.


Sessions 3 and 4 (March 2 and 9)
The Fed and the recent financial crisis.

Qualitative vs. quantitative easing. Implementation of “traditional” monetary policy. Open-market operations and non-borrowed reserves. New Tools for the conduct of monetary policy? The trouble with the concept of money supply.

Session 5 (March 23)
Special topics on the role of monetary policy.

Inflation targeting. Inflation expectations and their impact on the slope of the yield curve. The complicating effect of time lags. Can monetary policy deflate asset bubbles?
Session 6 (March 30)
Mid-term exam

Session 7 (April 6)
Central Bank Policies in the Euro-zone, Japan, and the U.K.

A closer look at the ECB and how it does things differently from the Fed. In what ways are The Bank of Japan and Bank of England different?

Session 8 (April 13)
The different role of central bank monetary policy in emerging market economies.

The importance of the exchange rates in shaping monetary policy in emerging market economies.

1 Group presentation

Session 9 (April 20)
The complex relationship between fiscal and monetary policies.

Sometimes cooperative, sometimes at odds with each other.

2 Group presentations

Session 10 (April 27)
Do central banks usually achieve their objectives?

A review of the history in the last 30 years shows mixed results. The experience with the Bank of Japan policy in the ‘90s.

2 Group presentations

Session 11 (May 4)
Open to discussion of topics of your interest.

Session 12 (May 11)
Final Exam

A list of very useful websites for information related to this class.