ECON 5360 Monetary Economics  
(Spring 2018 M/W 1:30-2:50PM LSK 1033)

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Course Objectives  
This course studies the basic theories of money and their applications to monetary issues. It also examines a class of phenomena related to banking, credits and liquidity from monetary perspective.

Intended Learning Outcomes  
1. Know the basic models for money. (PILO 1, 2)  
2. Learn the models implications to various monetary policy issues. (PILO 1, 2)  
3. Learn analyzing dynamic models. (PILO 1, 2)  

Prerequisites: Econ 5130, 5140  

Course material  
There is no assigned book. Lecture notes, mostly built on journal articles, are provided. For the overlapping-generations models, one may refer to Ljungqvist and Sargent [1, Ch 9], Romer [2, Ch 2], and Sargent [3, Ch 7].

Grading  
The grade is based on the performance of homework (15%), the midterm exam (25%), and the final exam (60%). The final exam is accumulative. There is no make-up for the mid-term exam. If you have a valid excuse, you are graded proportionately by the work completed. Illness is taken as a valid excuse only if a doctor indicates by a written note that illness affects you to take the exam. Refer to the University’s policy for validity of other excuses.

Academic integrity: Cheating and plagiarism are not tolerated. Any violation will be reported to the university. See http://www.ust.hk/vpaa/ug-guide/integrity/ for details.

Course outline (subject to adjustment except for the mid-term exam date)
05/02 Introduction
07/02 Lecture 1: The classical dichotomy
12/02 Lecture 1 con’t
14/02 Lecture 2: Monetary policy, policy tools, and policy evaluation
21/02 Lecture 3: Money in the OLG model
26/02 Lecture 3 con’t
28/02 Lecture 4: Money, price, and output
05/03 Lecture 4 con’t
07/03 Lecture 5: Coordination of fiscal and monetary polices
12/03 Lecture 5 con’t
14/03 Lecture 6: Payments and discount window policy
19/03 Lecture 6 con’t
21/03 Lecture 7: Dynamic programming
26/03 Lecture 7 con’t
28/03 The midterm exam
09/04 Lecture 8: The Friedman rule
11/04 Lecture 9: Money as a unit of account
16/04 Lecture 10: Money as a medium of exchange
18/04 Lecture 10 con’t
23/04 Lecture 11: Real bills doctrine v.s. Quantity Theory
25/04 Lecture 11 con’t
30/04 Lecture 12: Money, price and output, revisited
02/05 Lecture 12 con’t
07/05 Lecture 12 con’t
09/05 TBA

References

