

COURSE SYLLABUS

Course title: Theory of money and monetary economics

Study programme and level
Masters, 2nd degree

Study field
Economics and finance

ECTS 6

Prerequisites:

Knowledge of microeconomics, macroeconomics, mathematics

Content (Syllabus outline):

1. Money: origin, nature and functions of money; definitions of money; types of money and their evolution; role of money in the economy.
2. Monetary system: definition, elements, types and stages of evolution.
3. Money Supply: money supply and its structure; monetary aggregates and monetary base; model of money supply and money multipliers; factors determining money supply; overview of money creation process.
4. Non-cash payments: principles, forms and their features.
5. Demand for money. Monetary theories.
6. Theoretical basis of the choice of monetary state strategy: Keynesian theory and ISLM model; monetary and fiscal policy in the ISLM model and in a closed and open economy; features of the implementation of monetary and fiscal policies in emerging markets; new quantitative theory; basics of monetary macroeconomic analysis; Patinkin partial market model; impact of monetary policy on economic activity.
7. The price of money and inflation.
8. Monetary policy: objectives and means; transmission mechanisms of monetary policy.
9. Instruments of monetary policy.
10. The monetary policy of the Federal Reserve Department: history and developments.
11. World Monetary System: evolution and prospects of the global monetary system.
12. The foreign exchange market and exchange rate policy: currency market; theory of purchasing power parity; the exchange rate and its impact on the economy; theories on and factors affecting the foreign exchange rates.
13. Monetary policy and instruments for its implementation. Interventions in the foreign exchange market. Features of monetary policies in different countries.
14. The balance of payments and its impact on the exchange rate.
15. The anti-crisis monetary policy of different countries (US, Japan, EU, China) and its effects.
16. Special features of Russian monetary policy and comparison to the EU.

Objectives and competences:

Students will develop **basic competences:**

- deepening the previously obtained knowledge in the field of economic sciences, knowledge and understanding of the functioning of the monetary system and the currency markets, and of theoretical basis of monetary and exchange rate policies;
- knowledge and skills in the field of economic theory and practice of implementing monetary policy.

Students will develop **subject-specific competences:**

knowledge and understanding of the theoretical basis for the origin and essence of money, money circulation, monetary policy, mechanisms of money creation and laws governing the functioning of the money market and monetary aggregates; practical skills of assessing specific forms and instruments of monetary policy.

Intended learning outcomes:

Knowledge and understanding:

As a result of studying the course, students should:

Know:

- basic definitions and concepts related to money and monetary circulation;
- theories of money;
- theoretical concepts that underlie the conduct of monetary policy;
- the role and objectives of monetary policy and the instruments for its implementation;
- history and present state of the monetary system of the Russian Federation;
- forms and methods of implementation of anti-crisis monetary in the leading countries of the market economy.

To be able to:

- analyze the theoretical basis and practical implementation of monetary and foreign exchange policy, the adequacy of the current state of the economy and finances of the country and the challenges of development of state and society;
- assess the effectiveness of implemented monetary and exchange rate policies, including international benchmarking.
- analyze the data of the country's balance of payments;
- navigate the legislative and normative acts regulating the circulation of money and the use of instruments in their work;
- analyze the proposals of the experts, legislators, government and the central bank with respect to monetary policy and to predict the possible consequences of their implementation.

Own:

- methods of quantifying the money supply, the monetary base and other indicators characterizing the monetary system of the country;
- skills of practical analysis of Federal Reserve data, the Central Bank of Russia and statistical information.