

Subject				
Monetary Policy				
ECTS code	Semester	Faculty: Finance		
	1	Major: Finance and Accounting		
		Corporate Finance and Accounting		
Faculty:				
Lecture: Piotr Karaś, Ph.D.				
Classes: Piotr Karaś, Ph.D.				
System of studies:				
full time, second degree				
Subject status	Pass requirement	Number of contact hours		ECTS points
		Lectures	Classes	
Group A – core course	Exam	30	15	5
Teaching language				
English				
Subject provisions and objectives (including the expected can-do of students on completion of the course)				
The course focuses on explanation of different theories of money supply and demand, interest rates and exchange rates, inflation and its origins, monetary transmission mechanisms, monetary policy goals and instruments used by the National Bank of Poland and the Eurosystem. At the completion of the course the student should be able to: 1) understand processes of money circulation in economy, 2) understand the money creation mechanism, 3) understand inflation and deflation phenomena, and their impact on economy, 4) recognize different monetary policies, and their impact on economy, 5) recognize different monetary policy instruments and how they are used.				
Teaching curriculum ( in case of prescribed subjects, compliance with the standards, maximum 15 topics)				
1) The part of central banks in economy. 2) Money – its history and nature. 3) Mechanisms for money supply. 4) Money demand theories review. 5) Interest rates theories review. 6) Exchange rate and international parity relations. 7) Inflation. 8) Transmission of monetary impulses. 9) Monetary policy goals, strategies, and instruments.				
Class topics (maximum 15 topics)				
The conduct of monetary policy in Poland and in the European Monetary Union				
Introductory topics				
Finance, macroeconomics				
Teaching methods				
Lecture, presentations prepared by students, debate, case study				

<b>Basic literature and other sources</b>
<b>A. Mandatory readings</b> <ol style="list-style-type: none"> <li>1) Carl E. Walsh, <i>Monetary Theory and Policy</i>, MIT Press, Cambridge, MA - London, England 2003, 2nd edition</li> <li>2) ECB, <i>Monetary Policy – A Journey From Theory to Practice</i>, ECB, Frankfurt 2006</li> <li>3) Peter Bofinger, <i>Monetary Policy: Goals, Institutions, Strategies and Instruments</i>, Oxford University Press, Oxford 2001</li> </ol>
<b>B. Suggested readings</b> <ol style="list-style-type: none"> <li>1) <i>Asset prices and monetary policy</i>, ed. by John Y. Campbell, University of Chicago Press, Chicago – London, cop. 2008</li> <li>2) ECB, <i>Annual report</i>, several issues</li> <li>3) ECB, <i>The implementation of monetary policy in the euro area: General Documentation on Eurosystem monetary policy instruments and procedures</i>, ECB, Frankfurt 2011</li> <li>4) ECB, <i>The monetary policy of the ECB</i>, Second edition, ECB, Frankfurt 2004</li> <li>5) Frederic S. Mishkin, <i>Monetary policy strategy</i>, The MIT Press, Cambridge – London, cop. 2007</li> <li>6) <i>How monetary policy works</i>, ed. by Lavan Mahadeva and Peter Sinclair, Routledge, London - New York 2005</li> <li>7) Michael Woodford, <i>Interest and prices: foundations of a theory of monetary policy</i>, Princeton University Press, Princeton - Oxford, cop. 2003</li> <li>8) <i>Monetary Policy Frameworks in a Global Context</i>, ed. by Lavan Mahadeva and Gabriel Sterne, Routledge, London - New York 2000</li> <li>9) <i>Monetary policy transmission in the Euro area: a study by the Eurosystem Monetary Transmission Network</i>, ed. by Angeloni I., Kashyap A.K., Mojon B., Cambridge University Press, Cambridge 2004</li> <li>10) <i>Monetary theory and policy experience</i>, ed. by Axel Leijonhufvud, Palgrave, Basingstoke 2001</li> <li>11) NBP Monetary Policy Council, <i>Medium-Term Strategy of Monetary Policy (1999 - 2003)</i>, NBP, Warsaw 1998</li> <li>12) NBP Monetary Policy Council, <i>Monetary Policy Guidelines for the Year .....</i>, several issues</li> <li>13) NBP Monetary Policy Council, <i>Monetary Policy Strategy beyond 2003</i>, NBP, Warsaw 2003</li> <li>14) NBP, <i>Annual report</i>, several issues</li> <li>15) NBP, <i>Inflation Report</i>, several issues</li> <li>16) NBP, <i>MPC minutes</i>, several issues</li> <li>17) NBP, <i>Report on Monetary Policy Implementation</i>, several issues</li> </ol>
<b>Pass requirements for signature/examination</b>
Final exam in written form
<b>Examples of questions for tests and examinations</b>
What are all economic areas of central bank activities
Name all indirect monetary policy strategies