

COURSE SYLLABUS

COURSE TITLE	MONETARY POLICY IN THE EUROPEAN UNION	COD:
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YEAR OF STUDY	2-3	SEMESTER	2	COURSE STATUS (MA-MANDATORY / OP-OPTIONAL)	OP
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NUMBER OF HOURS PER WEEK		TOTAL HOURS PER SEMESTER	TOTAL HOURS OF INDIVIDUAL ACTIVITY	NUMBER OF CREDITS	EVALUATION TYPE (P-final project, O – oral examination, E- written examination, M-mixt)	LANGUAGE OF TEACHING
C	S					
3	2	35	55	3	M	ROMANIAN

COURSE HOLDER	ACADEMIC GRADE, SURNAME, NAME	DEPARTMENT
	Professor Angela ROMAN Professor Mihaela TOFAN	Department of Finance, Money and Public Administration

PREREQUISITE(S):	None
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COURSE OBJECTIVES	<p>GENERAL OBJECTIVE: <i>The course will provide the students with the necessary theoretical and practical knowledge in order to understand the main objectives of the monetary policy, its instruments, and the transmission mechanism of monetary policy decisions to the real economy in the EU and current and future challenges for monetary policy at the European level</i></p> <hr/> <p>SPECIFIC OBJECTIVES OF EACH CHAPTER:</p> <p>1. The content of monetary policy and its effects on the real economy <i>Objectives:</i></p> <ul style="list-style-type: none"> • to understand the theoretical foundations of monetary policy • to know the concept of monetary policy and its main objectives • to grasp the content of monetary policy strategies and their main characteristics • to comprehend the role of the independence of central banks and transparency of monetary policy in ensuring monetary policy efficiency • to understand the way monetary policy decisions are transmitted on the real economy <p>2. The institutional framework of the single monetary policy (euro area monetary policy) <i>Objectives:</i></p> <ul style="list-style-type: none"> • to know the structure of the system of institutions involved in the development and implementation of the euro area monetary policy (the European Central Bank, the Eurosystem and the European System of Central Banks) • to understand the organization and functioning of the European Central Bank • to grasp the objectives and the tasks of the Eurosystem <p>3. The strategy and operational framework of the ECB's monetary policy <i>Objectives:</i></p> <ul style="list-style-type: none"> • to know the primary objective of the ECB's monetary policy • to understand the ECB's monetary policy strategy and current challenges • to comprehend the way the ECB's monetary policy decisions are transmitted on the real economy of the European countries • to grasp the ECB's conventional monetary policy instruments and the way they are employed <p>4. The unconventional monetary policy instruments of the ECB in the context of the latest global crisis <i>Objectives:</i></p> <ul style="list-style-type: none"> • to know the policy framework of unconventional monetary policy instruments • to grasp the structure of the ECB's unconventional monetary policy instruments and their role • to understand the impact of the unconventional monetary policy instruments implemented by the ECB in recent years on the financial systems and real economies of the European countries • to understand the challenges of the single monetary policy in the post-crisis period
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	<p>5. The operational framework of the monetary policies of the EU Member States which have not adopted the euro <i>Objectives:</i></p> <ul style="list-style-type: none"> • to know the monetary policy instruments of the EU Member States which have not adopted the euro • to understand the effects of monetary policy instruments on the banking sectors and real economies of these countries • to comprehend the need to harmonize the monetary policies of the EU Member States which have not adopted the euro with the ECB's monetary policy <p>6. The coordination of monetary policy with fiscal policy in the EU Member States <i>Objectives:</i></p> <ul style="list-style-type: none"> • to comprehend the need to coordinate the monetary policy with the fiscal policy in EU Member States • to understand the mechanisms of coordination between the two policies in the EU Member States and possibilities of improvement • to comprehend the role played by the monetary and the fiscal policies in the macroeconomic stabilisation of the EU countries <p>7. Challenging issues for monetary policy in the EU <i>Objectives:</i></p> <ul style="list-style-type: none"> • to grasp the implications of financial and technological innovations for monetary policy • to understand the possible implications of digital currencies for the transmission of monetary policy • to comprehend the effects of climate change for the economy and financial system • to understand the implications of Brexit for the ECB's monetary policy 																
WEEKLY TOPICS	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">NAME OF THE CHAPTERS</th> <th style="text-align: center;">NO OF HOURS</th> </tr> </thead> <tbody> <tr> <td>1. The content of monetary policy and its effects on the real economy</td> <td style="text-align: center;">5</td> </tr> <tr> <td>2. The institutional framework of the single monetary policy (euro area monetary policy)</td> <td style="text-align: center;">5</td> </tr> <tr> <td>3. The strategy and operational framework of the ECB's monetary policy</td> <td style="text-align: center;">5</td> </tr> <tr> <td>4. The unconventional monetary policy instruments of the ECB in the context of the latest global crisis</td> <td style="text-align: center;">5</td> </tr> <tr> <td>5. The operational framework of the monetary policies of the EU Member States which have not adopted the euro</td> <td style="text-align: center;">5</td> </tr> <tr> <td>6. The coordination of monetary policy with fiscal policy in the EU Member States</td> <td style="text-align: center;">5</td> </tr> <tr> <td>7. Challenging issues for monetary policy in the EU</td> <td style="text-align: center;">5</td> </tr> </tbody> </table>	NAME OF THE CHAPTERS	NO OF HOURS	1. The content of monetary policy and its effects on the real economy	5	2. The institutional framework of the single monetary policy (euro area monetary policy)	5	3. The strategy and operational framework of the ECB's monetary policy	5	4. The unconventional monetary policy instruments of the ECB in the context of the latest global crisis	5	5. The operational framework of the monetary policies of the EU Member States which have not adopted the euro	5	6. The coordination of monetary policy with fiscal policy in the EU Member States	5	7. Challenging issues for monetary policy in the EU	5
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BIBLIOGRAPHY	<p>Books and research papers</p> <ol style="list-style-type: none"> 1. Altavilla, C., Gianone, D. (2016), The effectiveness of non-standard monetary policy measures: evidence from survey data, ECB Working Paper Series no. 1951 2. Arestis, P., Sawyer, M., (2013), Economic and Monetary Union Macroeconomic Policies: Current Practices and Alternatives, Palgrave Macmillan, ISBN: 978-0-230-23222-8 3. Bindseil, U. (2014), Monetary Policy Operations and the Financial System, Oxford University Press, United Kingdom, ISBN: 978-0-19-871690-7 4. Bofinger, P. (2001), Monetary Policy: Goals, Institutions, Strategies, and Instruments, Oxford University Press, United Kingdom, ISBN: 0-19-924856-7 5. Canale, R. R., & Mirdala, R. (2019), Fiscal and Monetary Policy in the Eurozone: Theoretical Concepts and Empirical Evidence, Emerald Publishing Limited, ISBN-13: 978-1787541269 6. Cerna, S. (2014), Monetary Policy, Academy Publishing House, Bucuresti, ISBN: 9789732724224 7. Chari, V.V. (1999), Optimal fiscal and monetary policy, in Handbook of macroeconomics (Eds. J.B. Taylor and M. Woodford), Vol. I, Part C, pages 1671-1745
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	<p>8. Da Costa Cabral, N., Gonçalves, J. R., & Rodrigues, N. C. (Eds.). (2017), The Euro and the Crisis: Perspectives for the Eurozone as a Monetary and Budgetary Union, Springer, ISBN 978-3-319-45710-9</p> <p>9. De Grauwe, P. (2014), Economics of Monetary Union, Oxford University Press, 10th Edition, ISBN: 978-0-19-968444-1</p> <p>10. De Haan, J., Oosterloo, S., Schoenmaker, D. (2015), Financial Markets and Institutions, 3rd Edition, Cambridge University Press, ISBN: 978-1-107-53936-5</p> <p>11. Delivorias, A. (2015), Monetary policy of the European Central Bank, Strategy, conduct and trends, European Parliamentary Research Service, February, Available at http://www.europarl.europa.eu/RegData/etudes/IDAN/2015/549005/EPRS_IDA(2015)549005_EN.pdf</p> <p>12. ECB (2011), The monetary policy of the ECB, 3rd edition, May, Frankfurt am Main, Available at https://www.ecb.europa.eu/pub/pdf/other/monetarypolicy2011en.pdf</p> <p>13. Fender, J. (2012), Monetary Policy, John Wiley & Sons, ISBN: 978-0470019092</p> <p>14. Heise, M. (2019), Inflation Targeting and Financial Stability, Springer International Publishing, ISBN: 978-3-030-05078-8</p> <p>15. Howarth, D., Loedel, P. (2005), The European Central Bank, Palgrave Macmillan UK, ISBN: 978-0-230-50310-6</p> <p>16. Illing, G. (2007), Financial stability and monetary policy- a framework, April 2007, CESifo Working Paper Series, No. 1971, Available at SSRN: http://ssrn.com/abstract=985275</p> <p>17. Menkhoff, L. (2010), Monetary Policy Instruments for European Monetary Union, Springer Berlin Heidelberg, ISBN: 978-3-642-08287-0</p> <p>18. Mishkin, F.S. (2009), Monetary Policy Strategy, MIT Press, ISBN: 9780262252935</p> <p>19. Mohanty, D. (2014), Monetary policy, sovereign debt and financial stability: the new trilemma, Foundation Books</p> <p>20. Roman, A., Bilan, I. (Editors), (2015), European financial and monetary integration. Challenges of the single currency, Alexandru Ioan Cuza University Publishing House, ISBN: 978-606-714-198-2</p> <p>21. Scheller, H.S. (2006), The European Central Bank: History, role and functions, 2nd revised Edition, Available at http://www.ecb.int/pub/pdf/other/ecbhistoryrolefunctions2006en.pdf</p> <p>22. Simson, Th.D. (2014), Financial Markets, Banking, and Monetary Policy, John Wiley & Sons, ISBN: 978-1-118-87205-5</p> <p>23. Walsh, C.E., (2010), Monetary Theory and Policy, 3rd edition, the MIT Press, ISBN: 978-0-262-01377-2</p>
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EVALUATION	Conditions	<p>1. Attendance is expected for this course, though not strictly enforced. Although the textbook serves mostly as a reference for this course, a lot of the class materials are drawn from other sources. As a result, the students might not be able to understand some of the materials if they miss classes.</p> <p>2. Participation in the classroom is essential. Even though a student's grade is not dependent on classroom participation, it will become a factor when making decision on borderline cases.</p> <p>3. Any student who completes less than 60% of the assignments will receive an F for the course.</p>																				
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