

University of Pretoria Yearbook 2021

Monetary economics and banking 816 (EKN 816)

Qualification	Postgraduate
Faculty	Faculty of Economic and Management Sciences
Module credits	10.00
NQF Level	09
Programmes	MCom Econometrics (Coursework) MCom Economics (Coursework)
Service modules	Faculty of Natural and Agricultural Sciences
Prerequisites	Only for students in relevant programme
Contact time	1 lecture per week
Language of tuition	Module is presented in English
Department	Economics
Period of presentation	Semester 1 or Semester 2

Module content

This module presents an advanced treatment of critical topics in monetary economics and the models economists use to investigate the interactions between real and monetary factors. It provides extensive coverage of general equilibrium (DSGE) models, models of the short-run real effects of monetary policy, and game-theoretic approaches to monetary policy. Among the topics covered are models of time consistency, monetary policy operating procedures, interest rates and monetary policy.

Throughout, this module focuses on the implications of interest rate control for monetary policy. The module is designed for advanced graduate students in monetary economics, economic researchers and economists working in policy institutions and central banks.

The module includes discussions of empirical evidence on the new Keynesian model, inflation forecast targeting models, optimal policies in forward-looking models, stability and the Taylor principle, and open economy new Keynesian models. It explicitly treats policy analysis in new Keynesian models and their underlying DSGE foundations for both a closed economy, a small open economy and a two-country world economy; the discussion includes the derivation of the policy objective function, optimal commitment and discretionary outcome, targeting rules and instrument rules.

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