



## Money and Banking A | ECU33021

Year	Junior Sophister
ECTS Credits	5
Contact Hours	22 hours of lectures and 5 hours of tutorials
Pre-Requisite	ECU22011 & ECU22012 Intermediate Economics, ECU22031 & ECU22032 Mathematical and Statistical Methods
Semester	1
Module Leader and Lecturer	Professor Joe Kopecky
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### Module Outline:

The module covers contemporary monetary economics and its application to the conduct of monetary policy. As well as reviewing the relevant academic literature, the module deals with the experience of the main central banks, with a particular focus on the European Central Bank. The module first analyses the nature of money and the long-run relation between money and prices and economic activity. It then examines a number of key issues in regard to contemporary monetary policy: monetary policy rules, the role of expectations and the transmission mechanism.

For this purpose, the course presents the New Keynesian model which is now widely used for the purpose of analysing monetary policies. The course then looks at the monetary policy strategies of the major central banks as well as the operational frameworks by which they steer interest rates.

The module concludes by looking at the conduct of monetary policy during the financial crisis, covering issues such as non-standard measures, the implications of the zero



bound on nominal interest rates and the role of monetary policy in contributing to financial stability.

### **Module Learning Outcomes:**

On successful completion of this module, you will be able to:

- Discuss the recent performance of financial markets and government intervention strategies in light of economic theory;
- Describe recent trends in the organization of the financial industry and recognize the main microeconomic theories of banking;
- Examine the nature of money, definitions of the money supply and different approaches to determining how the money supply is created;
- Explain monetary theory and its relevance to macroeconomic policy against the background of the main financial institutions and markets;
- Discuss current issues in relation to the formulation and operation of monetary policy;
- Describe the main financial instruments and the way in which they help redistribute risk between economic agents.

### **Assessment:**

40% Course work

20% Assignment

40% Examination

### **Recommended Reading List:**

#### **Primary Reading:**

- Cecchetti, Stephen G. and Schoenholtz, Kermit L. *Money, Banking and Financial Markets* 3rd ed. (McGraw-Hill, 2011)

#### **Additional Readings:**



Trinity College Dublin  
Coláiste na Tríonóide, Baile Átha Cliath  
The University of Dublin

## Undergraduate: Economics | Module Outlines 2024/5

- Matthews, Kent and John Thompson. *The Economics of Banking*, 2nd ed. (Wiley, 2008)
- Feixas, Xavier and Rochet, Jean-Charles. *Microeconomics of Banking*, 2nd ed. (MIT Press, 2008)

NB: Additional readings will be suggested in lectures