



UNIVERSITÀ DI PISA

MONETARY ECONOMICS

FULVIO CORSI

Anno accademico

2022/23

CdS

BANKING FINANCE AND FINANCIAL
MARKETS

Codice

024PP

CFU

6

Moduli	Settore/i	Tipo	Ore	Docente/i
ECONOMIA MONETARIA	SECS-P/01	LEZIONI	42	FULVIO CORSI

Learning outcomes

Knowledge

The aim of the course is to provide students with the basic knowledge of Monetary Economics and International Monetary Economics. The course therefore consists of two modules: the first focuses on the functioning and role of money in the national economic system, the second on foreign exchange markets and international financial markets.

Prerequisites

Prerequisites: Political Economy I, Mathematics

Syllabus

First part

- Historical notes on the evolution of money and description of the different forms of money (Ferrari & Ferrero par 1 to 5.2).
- Quantity theory of money and Pigou's stock equation (Di Giorgio par 2.3 and 2.5)
- Keynesian view of money and Markowitz's theory of portfolio choices (outline) (Di Giorgio par 2.6.1).
- Aggregate supply and demand for money and review of the IS-LM model (Di Giorgio par 2.4).
- Friedman and the monetarist vision, Lucas and rational expectations, rules vs discretion debate (notes) (Di Giorgio chap. 9).
- Final, intermediate and operational objectives of monetary policy, Taylor rule, term structure of interest rates and its interpretations (Di Giorgio paragraphs 3.1 and 3.2).
- Operational objectives, open market operations, bank reserves market, endogenous currency (Di Giorgio 3.3, 3.5 and 3.6 and Ferrari & Ferrero par 4, 5.1, 5.2 and 5.4).
- The risks and limits to bank money creation, financial crises and economic crises (Ferrari & Ferrero par 5.5)
- Transmission channels of monetary policy (Di Giorgio chapter 5 in particular the summary of paragraph 5.6).

Second part

- Balance of Payments and exchange rates
- The Mundel-Fleming model (IS-LM-BP) and trilemma
- From the Bretton Woods system to the fall of the EMS (Della Posta, chap.1)
- Introduction to the theory of optimal monetary areas (Della Posta, chap.6.1,)
- From the single currency to the euro area crisis (Della Posta, chap.2)

Bibliography

- Slides
- Alessandro Ferrari e Giuseppe Ferrero, "Moneta pubblica e privata in un sistema economico moderno"
- Giorgio Di Giorgio, "Economia e Politica Monetaria", Wolters Kluwer, 2016, Quinta edizione.
- Pompeo Della Posta "L'integrazione monetaria in Europa: Origini, Crisi, Istituzioni e Teorie Economiche", Pisa University Press, 2018.

Assessment methods

Total exam on the entire program:



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- written exam with multiple choice test and open questions and possible oral exam

Class web page

<https://elearning.ec.unipi.it/course/view.php?id=2174>

Additional web pages

Elearning:

<https://elearning.ec.unipi.it/course/view.php?id=2174>

Register:

<https://unimap.unipi.it/registri/dettregistriNEW.php?re=3313689:....&ri=036771>

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