



CORPORATE AND ACADEMIC SERVICES

MODULE SPECIFICATION

Part 1: Basic Data					
Module Title	Monetary Economics				
Module Code	UMED8W-15-3	Level	3	Version	1
Owning Faculty	FBL	Field	Economics		
Contributes towards	BA (Hons) Economics, BA (Hons) Banking & Finance				
UWE Credit Rating	15	ECTS Credit Rating	7.5	Module Type	Standard
Pre-requisites	Economic Theory, Policy and Applications (UMED8S-15-2) or equivalent		Co- requisites	None	
Excluded Combinations	None		Module Entry requirements		
Valid From	September 2012		Valid to		

CAP Approval Date	
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Part 2: Learning and Teaching	
Learning Outcomes	<p>On successful completion of this module students will be able to:</p> <ol style="list-style-type: none"> 1. Critically analyse how changes in the quantity of money occur (Components A and B). 2. Critically discuss and analyse the empirical evidence relating to a number of controversial issues in monetary economics (Components A and B). 3. Critically analyse current issues in monetary policy, using the appropriate mathematical & graphical presentation (Components A and B). 4. Critically analyse the role monetary policy and monetary economics played in the 2007-08 financial crisis and in subsequent crises (Components A and B). <p>In addition the educational experience may explore, develop, and practise <u>but not formally discretely assess</u> students' ability to retrieve and use monetary data from a range of central bank websites.</p>
Syllabus Outline	<p>This module typically will cover the following topics:</p> <ul style="list-style-type: none"> • The demand and supply of money – Monetarism and Keynesianism; endogenous money supply; empirical evidence. • Monetary Policy – the relationship between prices, output, interest rate policies and alternative monetary policies (e.g. quantitative easing). • Inflation targeting – rules vs discretion. • Central Banks and Financial Markets – the role of central banks (theory and evidence); lender of last resort and moral hazard; Transparency,

	<p>credibility and accountability in policy making.</p> <ul style="list-style-type: none"> Contemporary issues in monetary economics
Contact Hours/Scheduled Hours	There are 3 hours of contact time with staff that a student can expect in a week, this will consist of a combination of lectures, seminars and workshops.
Teaching and Learning Methods	<p>A variety of different methods will be used, depending on the part of the syllabus being covered. There will be formal lectures of 1 hour on core material but many of the lecture slots will be interactive that allow a chance for debate on topical issues raised throughout the module.</p> <p>Seminars and workshops are designed to enable students to investigate an issue or theme in greater details and will involve a number of different formats including: sets of questions for all students to answer, group reporting, formal debates, group discussion and report back, thorough discussion of relevant topics in the financial press and academic papers. Students receive feedback on their academic status on a regular basis to avoid disappointments in Components A & B of the module assessments.</p> <p>In addition staff will be available during the semester during their office hours (2 hours a week) for face to face meetings.</p> <p>Queries and extended discussions with staff can also be approached virtually through e-mail.</p> <p>Extensive use will be made of Blackboard for weekly guided independent study work; to support students' learning; to facilitate interactions between students e.g. for group project work and to provide feedback with quizzes and forums.</p> <p>Students will also be directed towards the University Library online Study Skills resources for the development of skills appropriate to the level and style of the module. In addition a number of e-learning resources will also be used:</p> <ul style="list-style-type: none"> The MySkills Study Skills website at http://www.uwe.ac.uk/library/resources/hub/ [Of particular interest will be the pages on 'Being a student at level 1' http://www.uwe.ac.uk/library/resources/bbs-study-skills/student/level1.htm Skills4study (s4s) as part of the MySkills resource [Academic reading and note making; Critical thinking; Academic writing; Referencing and plagiarism] iSkillzone http://iskillzone.uwe.ac.uk [workshops for information retrieval, referencing, evaluation skills and literature reviewing http://www1.uwe.ac.uk/library/help.aspx] Learn Higher http://www.learnhigher.ac.uk/Students.html
Reading Strategy*	<p>All students will be encouraged to make full use of the print and electronic resources available to them through membership of the University. These include a range of electronic journals and a wide variety of resources available through websites and information gateways. The University Library web pages provide access to subject relevant resources and services and to the library catalogue. Many of these resources can be accessed remotely. Students will be presented with opportunities within the curriculum to develop their information retrieval and evaluation skills in order to identify such resources effectively.</p> <p>Students will be directed and expected to undertake essential reading throughout the module. However, depending upon specific topics addressed over the course of the module, students will be expected to undertake additional reading for themselves. A list of indicative textbooks and relevant journals is provided below but students are expected to recognise that these may be starting points only and that they should extend their reading as widely as is necessary to demonstrate a comprehensive knowledge.</p>

	<p>Blackboard – This module is supported by Blackboard, where students will be able to find all necessary module documentation, including guidance on Further Reading within the module handbook/outline. Direct links to information resources will also be provided from within Blackboard</p> <p>UWE Libraries – Engagement with online resources available through the library will be a core requirement of this module.</p> <p>There is no essential text for this module; however, we will suggest useful foundational texts to which they could refer. Students will be provided with a wide variety of written, audio and video texts that will be taken from recommended text books, journal articles, national and international newspapers and websites. Journal articles will be available electronically, or in the library. Students will be guided throughout the module as to the appropriate texts. Module guides will also reflect the range of reading to be carried out. Students will be told texts to read from books and from academic papers within the module handbook. Online videos and audio recordings will be recommended too of economists and policy makers.</p>
Indicative Reading List	<p>The following list is offered to provide validation panels/accrediting bodies with an indication of the type and level of information students may be expected to consult. As such, its currency may wane during the life span of the module specification. CURRENT advice on additional reading will be available via the module guide or Blackboard pages.</p> <p>Bain, K. and Howells, P. (2009). <i>Monetary Economics: Policy and its theoretical basis</i>, London: Palgrave.</p> <p>Gartner, M. (2012). <i>Macroeconomics</i>, 3rd edition, London: Prentice Hall.</p> <p>Goodhart, C. A. E. (1995). <i>The Central Bank and the Financial System</i>, London: Macmillan.</p> <p>Howells, P. G. A. and Bain, K. (2009). <i>Economics of Money, Banking and Finance</i>, 4th edition, London: FT-Prentice Hall.</p> <p>Mankiw, N.G., (2010). <i>Macroeconomics</i>, London: Palgrave.</p> <p>Articles from academic journals and from national and international newspapers will be drawn on. These will include specific webpages that students will be recommended to read regularly as well as respected economic blogs. Within these websites there are video and audio recordings of respected economists and policy makers.</p> <p>Academic and Practitioner Journals</p> <p>Bean, C. & Jenkinson, N. (2001), The Formulation of Monetary Policy at the Bank of England, <i>BEQB</i>, winter.</p> <p>Bean, C., 'Is There a new consensus in monetary policy?' downloadable from www.bankofengland.co.uk/publications/other/monetary/bean070413.pdf</p> <p>Benati, L. (2005), Inflation Targeting from an Historical Perspective, <i>BEQB</i>, Summer.</p> <p>Bofinger, P., Mayer, E. & Wollmerhäuser, T.(2006) 'The BMW Model: a new framework for teaching monetary economics', <i>Journal of Economic Education</i>, 37 (1), 98-117</p> <p>Briault, C., Haldane, A. & King, M. (1996), <u>Central bank independence and accountability: theory and evidence</u>, <i>BEQB</i>, Feb.</p>

Fontana, G. The 'New Consensus' View of Monetary Policy: A New Wicksellian Connection? Downloadable from <http://ssrn.com/abstract=941177>

Goodhart C, A. E. (1994), What should central banks do? What should be their macroeconomic objectives and operations?, *Economic Journal*, vol. 104, pp. 1424-1236

Goodhart, C.A. E. (1989a) 'The Conduct of Monetary Policy' *Economic Journal*, vol.99, June, pp. 293-346

Goodhart, C. (2002), The Endogeneity of Money, in P. Arestis, M. Desai and S. Dow (eds.) *Money, Macroeconomics and Keynes*, Routledge.

Howells, P. (2001), The Endogeneity of Money, in P. Arestis & M. Sawyer (eds.), *Money, Finance and Capitalist Development*, Elgar.

King, K. (2002), No Money-No Inflation, *BEQB* Summer.

Moore, B. J., (1988), The Endogenous Money Supply, *Journal of Post Keynesian Economics*, 10 (3), 372-86.

Niggle, C. J. (1991), The Endogenous Money Supply Theory: An Institutional Appraisal, *Journal of Economic Issues*, XXV (1), 137-151.

Niggle, C. J. (1990), 'The Evolution of Money, Financial Institutions and Monetary Economics', *Journal of Economic Issues*, June

Romer, D. (2000), Keynesian Macroeconomics without the LM Curve, *Journal of Economic Perspectives*, 14 (2), 149-69.

Stuart, A., Simple monetary policy rules, *BEQB*, Aug. 1996

The Transmission Mechanism of Monetary Policy, (1999), *BEQB*, May.

The Monetary Policy Committee Ten Years On, (2007), *BEQB*, Q1.

The Bank of England's Operations in the Sterling Money Markets, the 'Red Book'. Available at <http://www.bankofengland.co.uk/markets/money/publications/redbookfeb07.pdf>

Financial Times; The Economist

Students are also encouraged to utilise key websites such as those of:

The Bank of England
British Bankers' Association
Bank of International Settlements
European Central Bank
US Federal Reserve

Part 3: Assessment

Assessment Strategy

The assessment strategy focuses upon an evaluation of a specific range of high level of intellectual skills. The assessment types are chosen to assess the full range of student skills and knowledge at the relevant stage of the course. The module uses a mix of formative and summative assessment.

A test, scheduled for the mid semester, assesses students' breadth of knowledge of the key monetary economics concepts and provides an opportunity for students to benefit from formative feedback at the early stage of their study.

The essay element of the assessment requires the reading and critical interpretation of a wide range of literature which is theoretically and empirically intricate. Many of the debates concern current aspects of monetary policy and students will need to show that they understand the theoretical basis of these debates as well as the implications of contrasting positions for the conduct of policy. Although students will be expected to discuss their understanding of the literature and to present surveys and interpretations in seminars and workshops, the most appropriate medium for assessing students' ability to understand the material is the written essay.

In the end of semester examination the criteria will emphasise accuracy of interpretation. Students will be given enough time and guidance to prepare for relevant topics in which they are examined. The depth of knowledge and ability to provide contemporary, persuasive and analytical answer will be the key to the successful outcome.

Formative Assessment is addressed through:

- Engagement in decision making through informal feedback.
- Engagement with other students in seminars that encourages exchange of knowledge and ideas amongst peer group.
- Engagement with external speakers and visits to the Bank of England, Treasury and possibly other institutions.

Identify final assessment component and element	Component A	
% weighting between components A and B (Standard modules only)	A:	B:
	50%	50%
First Sit		
Component A (controlled conditions) Description of each element	Element weighting	
1. Examination 2 hours	100%	
Component B Description of each element	Element weighting	
1. 2000 word essay	100%	

Resit (further attendance at taught classes is not required)		
Component A (controlled conditions) Description of each element	Element weighting	
1. Examination 2hours	100%	
Component B Description of each element	Element weighting	
1. 2,000 word essay	100%	
If a student is permitted an EXCEPTIONAL RETAKE of the module the assessment will be that indicated by the Module Description at the time that retake commences.		