



## AYDIN ADNAN MENDERES UNIVERSITY COURSE INFORMATION FORM

Course Title		Monetary Policy							
Course Code		ECO304		Course Level		First Cycle (Bachelor's Degree)			
ECTS Credit	6	Workload	150 ( <i>Hours</i> )	Theory	3	Practice	0	Laboratory	0
Objectives of the Course		The aim of this lesson is to make students get the theoretical parts of monetary policy. In that sense, presenting the purpose of central banks and how to use the means and the results of them in the frame of transfer mechanism is aimed. Also, the monetary policy of TCMB from past to present is tried to be explained.							
Course Content		Tools of Monetary Policy, Cost of Inflation and Inflation Theory, Price Stability and Importance, Time Inconsistency and Credibility Problem, Central Bank Independence, Investigation of the Central Bank Monetary Policy.							
Work Placement		N/A							
Planned Learning Activities and Teaching Methods				Explanation (Presentation), Discussion, Individual Study					
Name of Lecturer(s)		Assoc. Prof. Birgül CAMBAZOĞLU							

### Prerequisites & Co-requisites

ECTS Requisite	85
----------------	----

### Assessment Methods and Criteria

Method	Quantity	Percentage (%)
Midterm Examination	1	40
Final Examination	1	70

### Recommended or Required Reading

1	Hanifi ASLAN, Para Teori ve Politikası, Alfa Aktüel Yayınları.
2	Gülsün Gürkan YAY, Para ve Finans Teori-Politika, İstanbul Bilgi Üniversitesi Yayınları.
3	Bora SÜSLÜ - Özgür BALMUMCU, Modern Para Teorisi ve Politikası, Efil Yayınevi.
4	Merih PAYA, Para Teorisi ve Para Politikası, Türkmen Kitabevi.
5	John Maynard KEYNES - Para Üzerine Bir İnceleme, Türkiye İş Bankası Yayınları.

Week	Weekly Detailed Course Contents	
1	Theoretical	What is Monetary Policy? The Scientific Approach and the Art of Politics
2	Theoretical	New Keynesian Economics: Price Rigidity, Phillips Curve and NAIRU Hypothesis
3	Theoretical	Optimal Monetary Policy: Tools and Purposes
4	Theoretical	Transmission Mechanism
5	Theoretical	Transmission Mechanism
6	Theoretical	Fundamentals of Monetary Policy Practice: Tinbergen & Theil Analysis, Poole Analysis
7	Theoretical	Monetary Authority Decision Problem: Time Inconsistency and Central Bank Independence
8	Intermediate Exam	Midterm Examination
9	Theoretical	Monetary Policy Preference in Ensuring Credibility: Discretionary Policies, Rule and Deception Policies
10	Theoretical	Monetary Policy Practices in Ensuring Price Stability: Inflation Targeting
11	Theoretical	Monetary Policy Practices in Ensuring Price Stability: Commitment of Instruments and Monetary Targeting
12	Theoretical	Money and Public Finance: Inflationary Monetary Policy
13	Theoretical	Money in Open Economies: Basic Variables and Foreign Exchange Market
14	Theoretical	Money in Open Economies: Exchange Rate Determination Theories and Exchange Rate Policies
15	Theoretical	Money in Open Economies: Monetary Condition Index and Efficiency of Monetary Policy
16	Final Exam	Final Examination
17	Final Exam	Final Examination



**Workload Calculation**

Activity	Quantity	Preparation	Duration	Total Workload
Lecture - Theory	14	0	3	42
Reading	14	0	2	28
Individual Work	14	0	3	42
Midterm Examination	1	15	1	16
Final Examination	1	21	1	22
Total Workload (Hours)				150
[Total Workload (Hours) / 25*] = ECTS				6
*25 hour workload is accepted as 1 ECTS				

**Learning Outcomes**

1	Comprehends policies of central banks.
2	States basic concepts related to monetary policy.
3	Explains monetary policy of Central Bank.
4	States theoretical foundations of monetary policy.
5	Describes simple intertemporal utility function, knows Transmission Mechanism Channels.

**Programme Outcomes (Economics)**

1	It defines and evaluates the basic economic concepts, theories, and methods.
2	It offers a basic level of policy proposals towards current economic problems.
3	It analyzes in the context of economic and social events in a historical perspective.
4	It explains the role of economic actors (such as government, company, or household) in the economy.
5	It follows national and international economic indicators and developments and it uses economic knowledge and methods in different areas.
6	It provides methods, tools and techniques necessary for the modelling and analysis of economic data and evaluates outcomes accordingly.
7	It defines economic systems, decision-making, policies and problems and it provides feedback about them.
8	It benefits from other disciplines that contribute to economic basis and holds a basic knowledge of these disciplines.
9	It explains and comments on economic growth, development and productivity problems on basic grounds.
10	It provides sufficient know-how in sub-branches such as public economics, industry, agriculture, environment and natural resources, labor, knowledge and ownership of the economy, international finance, money, in political economy and econometrics.
11	It defines and evaluates the concept of business on basic grounds.
12	It provides a sufficient level of legal know-how that may be demanded from high skill labor in both public and private sectors.
13	It defines the role of innovation, creativity and technology in the dynamic global economy.
14	It shows skills that will be useful for future employment opportunities and the working environment.
15	It considers science as a rational individual with professional and ethical responsibility.

**Contribution of Learning Outcomes to Programme Outcomes** 1:Very Low, 2:Low, 3:Medium, 4:High, 5:Very High

	L1	L2	L3	L4	L5
P1	4	4	4	4	4
P2	4	4	4	4	4
P4	3	3	3	3	3
P5	3	2	3	2	3
P6	4	4	4	4	4
P7	4	4	4	4	4
P13	1	1	1	1	1

