

Course Syllabus
EE432 Monetary Theory and Policy
Semester 2/2020 (January 20 – May 19, 2021)

Number of credits:	3 credits (3-0-6)
Lecture time:	Saturday, 9.00 AM – Noon
Lecture Venue:	Online
Instructor:	Dr. Chamadanai Marknual Office hour: by appointment Email: chamadanai.marknual@krungsri.com
Prerequisites:	EE312

Course Description:

This course aims to provide the student with an introduction to the role of money, financial markets, financial institutions and monetary policy in the economy, thus providing a solid foundation for further study and enhance professional capability in the financial services industry.

This course will investigate the origins and role of money, theories regarding the supply of and demand for money and the relationship between money, credit and debt will also be emphasized. The course will then study the role of financial markets in the economy with a particular emphasis on bond markets and interest rate determination. Besides, this course will further analyze the evolving roles of central banks and their views regarding the execution monetary policy; including recent and historical international policy actions, the transmission of that policy in the economy, and the impact of monetary policy on economic growth and inflation. It will also cover the formulation of unconventional monetary policy, so called quantitative easing, when interest rates approach the zero lower bound. Another area of study in this course is the consideration of modern monetary theories, particularly, in the context of real business cycle model and the New Keynesian model.

Course Objectives:

1. To develop knowledge and analytic skill to anticipate the central bank's monetary policy reaction on different economic situations.
2. To enhance capability to make a preliminary analysis of novel monetary policy execution together with its associated impacts and determine the appropriate choice of monetary stance.
3. To encourage students to take an active learning approach by reading lecture notes and participating individual assignment, in-class discussion and peer-to-peer learning.

Course Evaluation

The course will be assessed by active learning approach with a variety of individual learning, including in-class discussion, exercise, individual report assignment, take-home mid-term examination and final examination. Students should also follow the current economic situations which will be brought into discussion via the online classes. Besides, the students are encouraged to utilize a web-based platform provided by Mc-Graw Hill Connect <https://connect.mheducation.com>, which linked to our BE-moodle as additional source of learning. The major materials are lecture note presentation provided on BE-moodle and other material related to teaching topics. The assessment criteria are detailed as follow.

1. In-class discussion	10%
2. Exercise	10%
3. Individual report assignment	10%
4. Take-home Mid-term Examination	30%
5. Final Examination	40%

Readings

Students are required to read all lecture notes and should have access to this online textbook. The primary text book will be:

Cecchetti, Stephen and Schoenholtz, Kermit. (2020) **Money, banking, and financial markets**. McGraw-Hill.

Expected Learning Outcomes:

1. Morality and Ethics

Applicability	Expected Learning Outcomes
●	1.1 Students demonstrate integrity.
●	1.2 Students prioritize social and public benefits over personal ones.
●	1.3 Students are punctual and comply with the code of conduct of the institution and society at large.
●	1.4 Students are responsible and accountable to society, the nation, and the subject of economics.
○	1.5 Students realize the cultural and environmental value of the sustainable society.

2. Knowledge

Applicability	Expected Learning Outcomes
●	2.1 Students know and understand modern economics principles and theories, and are up to date with new developments.
●	2.2 Students know and understand Thai and global economic structure, and the importance of major international economic events.
○	2.3 Students know and understand instruments of economic analysis.
●	2.4 Students know and understand applied fields in economics, including monetary, public, international, business, natural resource and environmental, industrial, agricultural, cooperative, political, developmental, and entrepreneurial economics as well as agribusiness.
○	2.5 Students are informed about related fields including sociology, business administration, education, law policy, and science.

3. Intellectual Development

Applicability	Expected Learning Outcomes
●	3.1 Students have developed individual critical thinking.
●	3.2 Students are sufficiently trained in research skills.
●	3.3 Students demonstrate an ability to analyze and synthesize data, as well as appropriately integrate economics concepts to understand causes of current economic problems in Thailand. Based on analysis and synthesis, students demonstrate an ability to propose policy guidelines to resolve problems.

4. Interpersonal Skills and Responsibilities

Applicability	Expected Learning Outcomes
●	4.1 Students are responsible for assigned tasks and work in groups effectively.
●	4.2 Students have problem-solving skills.
○	4.3 Students show leadership skills and team spirit.
●	4.4 Students are always improving themselves.
○	4.5 Students have good interpersonal skills, adapting and working under different conditions.

5. Quantitative Analysis, Communication and Information Technology

Applicability	Expected Learning Outcomes
○	5.1 Students select and apply appropriate statistical and mathematical methods for data processing, interpretation, conclusions, and recommendations to resolve problems.
○	5.2 Students communicate effectively and select appropriate presentation methods.
○	5.3 Students use information and communication technologies appropriately to gather data as well as process, interpret, and present results.

Attendance at Lectures

Lectures provide opportunities to better understanding of materials in the course. So that virtual attendance and active precipitation in online lectures are required and monitored.

Class Schedule

Week	Topic	Date
1.	Financial instruments, financial markets, and financial institutions (Cecchetti & Schoenholtz Textbook Chapter 3)	23 Jan 2021
2.	Understanding risk (Cecchetti & Schoenholtz Textbook Chapter 5)	30 Jan 2021
3.	The risk and term structure of interest rates (Cecchetti & Schoenholtz Textbook Chapter 7)	6 Feb 2021
4.	The economics of financial intermediation (Cecchetti & Schoenholtz Textbook Chapter 11)	13 Feb 2021
5.	Depository institutions: banks and bank management (Cecchetti & Schoenholtz Textbook Chapter 12)	20 Feb 2021
6.	Regulating the financial system (Cecchetti & Schoenholtz Textbook Chapter 14)	27 Feb 2021
7.	Central banks in the world today (Cecchetti & Schoenholtz Textbook Chapter 15) & <u>Mid-semester Exam Revision</u>	6 Mar 2021
	Mid-term examination	3 October 2020 9-11 AM
8.	The central bank balance sheet and the money supply process (Cecchetti & Schoenholtz Textbook Chapter 17)	10 Oct 2020
9.	Monetary policy: stabilizing the domestic economy (Cecchetti & Schoenholtz Textbook Chapter 18) # <i>Pre-class reading 6 for Chapter 18, worth 1%</i> ,	17 Oct 2020
10.	Exchange rate policy (Cecchetti & Schoenholtz Textbook Chapter 19) # <i>Pre-class reading 7 for Chapter 19, worth 1%</i>	24 Oct 2020

Week	Topic	Date
11.	Money growth and money demand (Cecchetti & Schoenholtz Textbook Chapter 20) <i># Pre-class reading 8 for Chapter 20, worth 1%</i>	31 Oct 2020
12.	Output, inflation, and monetary policy (Cecchetti & Schoenholtz Textbook Chapter 21) <i># Pre-class reading 9 for Chapter 21, worth 1%</i>	7 Nov 2020
13.	Understanding business cycle fluctuations (Cecchetti & Schoenholtz Textbook Chapter 22) <i># Pre-class reading 10 for Chapter 22, worth 1%</i>	14 Nov 2020
14.	Modern monetary policy and the challenges (Cecchetti & Schoenholtz Textbook Chapter 23)	21 Nov 2020
15.	Special topic: New Keynesian monetary economics & <u>Final Exam Revision</u>	28 Nov 2020
	Final examination	4 December 2020 1.30 PM – 4.30 PM

ACADEMIC CALENDAR & HOLIDAY

Semester 2/2020

(January 20 – May 19, 2021)

Activities	Time Period
Classes Begin	January 20, 2021
Add-drop period	January 25 – 29, 2021
Tuition payment period	January 30 – February 2, 2021
<i>Makha Bucha Day*</i>	<i>February 26, 2021</i>
Mid-term Examination Period	March 10 – 16, 2021
Withdrawal period with “W” on record	March 24 – May 6, 2021
<i>Chakri Memorial Day*</i>	<i>April 6, 2021</i>
<i>Songkran Day Festival*</i>	<i>April 12 – 18, 2021</i>
<i>Substitution for Visakha Bucha Day*</i>	<i>April 26, 2021</i>
<i>Coronation Day*</i>	<i>May 4, 2021</i>
<i>Royal Ploughing Ceremony Day*</i>	<i>May 11, 2021</i>
Last day of class	Wed, May 19, 2021
Final exam period	May 20 – June 5, 2021
<i>Visakha Bucha Day*</i>	<i>May 26, 2021</i>
<i>Queen Suthida’s Birthday*</i>	<i>June 3, 2021</i>

** Public Holiday, No classes during this period*