

Seminar: Monetary Policy

Timo Bettendorf

Hochschule Trier

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Requirements

General requirements:

- \approx 15 pages *scientific* essay
- 15 minutes presentation at end of the term
- 5 minutes discussion (Q&A)

On the unconventional monetary policy measures of the Fed

- Economic circumstances?
- What kind of unconventional measures did the Fed implement?
- Impact?
 - output
 - prices
 - asset prices
 - exchange rates

On the unconventional monetary policy measures of the ECB

- Economic circumstances?
- What kind of unconventional measures did the ECB implement?
- Impact?
 - output
 - prices
 - asset prices
 - exchange rates

Helicopter money - saviour in times of deflation?

- Definition
- Theoretical background (quantity theory of money)
- Implications
- Discussion (pros?/cons?)

Virtual currencies - implications for monetary policy

- Virtual currencies such as the "Bitcoin" gained popularity in recent times.
- What are virtual currencies?
- How do they relate to traditional currencies?
- Is the "Bitcoin" a currency?
- What are the implications for monetary policy? (think of monetary aggregates and why they are important)

On the effects of the "Brexit" referendum

- History
- Market reactions before and after the "Brexit" (stock markets, exchange rates)
- How did monetary policy makers react?

How independent is monetary policy - a comparison between Fed and ECB

- What does central bank independence mean?
- Organization of the Fed
- Organization of the ECB
- How do they differ in terms of independence?

The Taylor rule: empirical evidence

- What is the Taylor rule?
- Is there empirical evidence suggesting that central banks are following the Taylor rule?
- Own estimations?

On the risks of low interest rate policies

- Definition: What is low interest rate monetary policy suggested with?
- Zero-lower-bound problem (liquidity trap)
- Ways out? One possibility: Quantitative easing
- Risks?

Summary

- ① On the unconventional monetary policy measures of the Fed
- ② On the unconventional monetary policy measures of the ECB
- ③ Helicopter money - saviour in times of deflation?
- ④ Virtual currencies - implications for monetary policy
- ⑤ On the effects of the "Brexit" referendum
- ⑥ How independent is monetary policy - a comparison between Fed and ECB
- ⑦ The Taylor rule: empirical evidence
- ⑧ On the risks of low interest rate policies