Table 5.2. Subject specification

Study program: Bachelor Academic Studies **– Business Economics –** module 1 – ***Finance, Banking and Insurance –*** module 2 – ***Business Economics and Entrepreneurship***

Name of the subject : Monetary Economics

Teachers: Barjaktarović R. Miljana, Đalić S. Tamara

Item status: mandatory, third year, fifth semester

Number ECTS: 7

Condition: no

Subject objective

Acquiring basic knowledge about theoretical and empirical issues related to the role of money in the functioning of a market economy; acquiring knowledge about the basic elements of monetary economics, such as: the definition of money, the creation and demand for money, the way in which the central bank influences the amount of money in circulation, the connection between changes in the money supply and changes in overall economic activity and price levels and placements through financial institutions; becoming familiar with the appropriate theoretical foundations for analyzing the role of monetary policy within a specific market economy , as well as the interconnection with fiscal and overall economic policy

Course outcome

The outcome of the course is the adoption of theoretical and practical knowledge in monetary analysis, theory and monetary policy, the acquired ability of students to understand the functioning of the monetary system and the role of the central bank as the creator of monetary and credit policy through a comprehensive analysis of central bank instruments, as well as the analysis of money demand, mechanisms of emission and cancellation of money supply, monetary aggregates, inflation, monetary policy strategies, monetary and credit multiplication and primary money. The knowledge that the student acquires represents basic knowledge of monetary economics that is necessary for work and forms the basis for making business decisions in the operations of banks and other financial institutions, as well as methods and ways of achieving target inflation and price stabilization.

Course content

Theoretical teaching

Introduction to monetary economics, definition and history of money development; Money supply and other monetary aggregates; Velocity of money circulation; Primary money; Mechanism of money supply creation and withdrawal; Monetary-credit multiplication; Analysis of money demand and supply, monetary equilibrium; Monetary phenomena of inflation; Intermediate objectives and indicators of monetary policy; Time lag in the operation of monetary policy measures; Transmission mechanism of monetary policy; Theories of money - development of monetary theories, classical quantitative theory of money, Keynesian and neo-Keynesian monetary theory, monetarist theory; Concepts and instruments of monetary policy (reserve requirements, open market operations. Central bank discount policy); Central bank and monetary regulation; Coordination of monetary and fiscal policy measures.

Practical teaching

A closer explanation of some of the topics covered in the lectures. Analysis of case studies of money supply and demand and monetary equilibrium and monetary policy instruments. Preparation of tests and exams. Evaluation of the implemented teaching and analysis of its results.

Literature

1 Frederic S. Mishkin, *The Economics of Money, Banking and Financial Markets (13th Edition)*, Pearson, 2021..

2. Carl E. Walsh, *Monetary Theory and Policy (4th Edition)*, The MIT Press, 2017.

Number of hours of active teaching	**Theoretical classes: 30**	**Practical classes: 45**

Teaching methods

Lectures are auditory, fully supported by video slides, and are performed in an amphitheater with to all students. Exercises are performed by groups of students in the classrooms and in the field: (1) as *Auditory* , where individual topics from the lecture are further elaborated and characteristic cases are analyzed from practice; (2) as *discussion* for the analysis and discussion of case studies from banking practice ; and (2) as *demonstration* , for insight and operations of banks;

Knowledge score (maximum number of points 100)

Pre-exam obligations	point	**Final exam**	point
activity during the lesson	10	written exam	
seminars	10	oral exam	50
colloquium (2) two)	30	....	