

MONETARY THEORY AND POLICY

Credit points	6 CP		
Duration of the course	1 sem. (study programme 90 CP) / 2 sem. (study programme 120 CP)		
Study course annotation	The course provides in-depth knowledge of the nature, functions, types, development factors and trends of money; theoretical models of money supply and demand; the content and instruments of the policy of the National Central Bank; develops skills to analyse and assess the impact of monetary policy on the national economy		
Aim of the study course	Provide in-depth theoretical knowledge of the content, role and tools of monetary policy in today's economy; study the mechanism through which monetary policy operates and influences economic development; develop skills to analyse the impact of monetary policy on the national economy, inflation, investment and output; develop theoretical and practical competencies for research		
Study course results	Knowledge	Skills	Competences
	<p>Students know:</p> <ul style="list-style-type: none"> • The nature, functions, types, history, development factors and trends; • Theoretical models of money supply and demand; • Central Bank policy, objectives, basic principles and instruments, etc. in times of economic crisis; • Factors influencing monetary policy and their specifics in changing economic conditions; • The transmission mechanism of monetary policy and its channels; • International aspects of monetary policy 	<p>Students are able to:</p> <ul style="list-style-type: none"> • Apply theoretical knowledge in the analysis of the Central Bank's monetary policy; • Assess the impact of monetary policy on inflation, investment and output; • Forecast changes in the economic and financial environment depending on changes in monetary policy and their impact on the company's operations; • Plan the company's activities in the international market, observe the nature of their monetary policy; • Plan the company's operations in accordance with the nature of monetary policy and the strategic goals and interests set by the owners and the society 	<p>Students:</p> <ul style="list-style-type: none"> • Understand the principles of monetary policy and the relationship with other economic and financial policies; • Use various sources of information and critically analyse the latest theoretical literature; • Understand current regularities of economic and financial development, processes taking place in the economic and financial environment depending on the nature of monetary policy; • Are able to forecast changes in the internal and external business environment in accordance with changes in monetary policy; • Are able to conduct research in the field of financial and monetary policy, explore alternatives and respond to creative and innovative solutions using



			intuition, experimentation and new perspectives.
Study course content	Topics		
	1	The essence of money, functions and development of money theory. Impact of monetary policy on the economy	
	2	Theoretical models of money demand	
	3	Money supply models	
	4	The role, purpose and tools of the monetary policy of the National Central Bank	
	5	Monetary policy transmission mechanism and its channels	
	6	International aspects of monetary policy	
Form of assessment:	Exam		
Obligatory literature:			
<ol style="list-style-type: none"> 1. Mishkin, Frederic S. The Economics of Money, Banking and Financial Markets, Prentice Hall, 2009; 2. Campbell Colin Dearborn, Campbell Rosemary G., Dolan Edwin G. Money, banking, and monetary policy, Dryden Press, 1988; 			
Additional literature:			
<ol style="list-style-type: none"> 1. Mc Callum B. Monetary Economics. McMillan, 1989 2. L. Randall Wray. Modern Money Theory: A Primer on Macroeconomics for Sovereign Monetary Systems, Palgrave Macmillan, 2012. – 312 lpp. 3. Salin, P. The international Monetary System and the Theory of Monetary Systems / Pascal Salin. - Edward Elgar publishing, 2016. - 272 p. - (+ CD). 4. Rupeika R. Valūtas tirgus un valūtas darījumi. – Apoga, “Datorzinību Centrs”, 2003.g. 5. Ducmane, Kristīne. Nauda. Enciklopēdija par savu un svešu naudu Latvijā no seniem laikiem līdz mūsdienām. Rīga : Zvaigzne ABC, 2004. 72 lpp. 6. IVARS TILLERS NAUDAS PIEPRASĪJUMA TEORIJA, NAUDAS PIEPRASĪJUMS, LATVIJA, PĒTĪJUMS 3/2004 			
Other sources of information:			
<ol style="list-style-type: none"> 1. Journal of Money, Credit and Banking 2. "http://muse.jhu.edu/journals/mcb/". HYPERLINK 3. Journal of International Money and Finance 4. "http://www.elsevier.nl/homepage/sae/econworld/econbase/jimf/frame.htm":// HYPERLINK 5. http://www.bank.lv 6. http://www.search.ebskohost.com (EBSCO datu bāze) http://www.scopus.com (SCOPUS datu bāze) 			
Changes and additions to the program and literature list are possible during the study process			