

MONETARY THEORY AND POLICY (I)

In this course we would like to discuss some monetary theories and the related policy issues, with special references to quantitative easing, theory of interest, exchange rate, and international monetary system.

Requirements:

midterm (50%) and term paper (50%, including oral presentation).

Office Hours:

Tuesdays, 2:00-3:00 p.m. (Social Sciences 3F02); otherwise, by appointment

Web: <https://web.ntpu.edu.tw/~guan>

Course Outline

Monetary Models: Overlapping Generations and Cash-in-Advance

Bruce Champ, Scott Freeman, and Joseph Haslag, *Modeling Monetary Economies*, 3rd edition, 2011, Cambridge University Press, Ch. 1-2.

Robert E. Lucas, Jr. and Nancy Stokey, "Money and Interest in a Cash-in-Advance Economy," *Econometrica*, 1987, 491-513.

Sahm Rule, Carry Trade, and Stagnation

Paul Volcker with Christine Harper, *Keeping at It*, PublicAffairs, 2018 (主席先生，早安財經文化，2021).

Michael Lewis, *Liar's Poker*, Norton, 1989 (老千騙局，早安財經文化，2019).

Claudia Sahm, "Direct Stimulus Payments to Individuals," *Brookings*, May 16, 2019: <https://www.brookings.edu/articles/direct-stimulus-payments-to-individuals/>

Richard C. Koo, *The Holy Grail of Macroeconomics*, revised and updated edition, Wiley, 2009 (總體經濟的聖杯，財信，2009).

Monetary Policies: Housing Price and Coase Conjecture

John Maynard Keynes, *The General Theory of Employment, Interest, and Money*, Macmillan, 1936, Ch. 15. (就業、利息和貨幣的一般理論，五南，2023).

Ronald H. Coase, "Durability and Monopoly," *Journal of Law and Economics*, 1972, 143-149.

Gene M. Grossman and Noriyuki Yanagawa, "Asset Bubbles and Endogenous Growth," *Journal of Monetary Economics*, 1993, 3-19.

Life-Cycle Hypothesis, Career, and Family

Franco Modigliani, "Life Cycle, Individual Thrift, and the Wealth of Nations," *American Economic Review*, 1986, 297-313.

Claudia Goldin, *Career and Family*, Princeton University Press, 2021 (事業與家庭，閱樂國際，2024).

Midterm Exam

Monetary Theories: Quantity Theory of Money and Real Bills Doctrine

David Hume, "Of Interest," *Essays, Moral, Political and Literary*, Liberty Fund, 1987

Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 5th edition, 1789; Modern Library, 1994, Bk.II, Ch.II.

Thomas J. Sargent, "Where to Draw Lines: Stability versus Efficiency," *Economica*, 2011, 197-214.

Cryptocurrency and Cashlessness

Kenneth S. Rogoff, *The Curse of Cash*, Princeton University Press, paperback edition, 2017 (現金的詛咒，時報文化，2018).

Neil Wallace, "The Case for Imposing Cashlessness: A Review Article," *Journal of Economic Literature*, 2018, 1587-1591.

Term-Paper Presentation