

390022 SE PhD-VGSE: Topics in Monetary Economics

Lecturer: Univ.-Prof. Dr. Gerhard Sorger (gerhard.sorger@univie.ac.at)

Time and location: Monday 9:00-10:30, seminar room VGSE.

ECTS points: This course counts for 5 ECTS points resp. 2 hours in the PhD program in Economics.

Prerequisites: Knowledge of macroeconomics, microeconomics, and mathematics as covered in the Master program in Economics.

Contents: The course covers some macroeconomic models in which money plays an essential role in the sense that without money trade is not possible at all or that the introduction of money leads to Pareto superior outcomes. The course starts by discussing a basic variant of an overlapping generations model with money. Then it discusses the early monetary search model by Kiyotaki & Wright (1993). Finally, we turn to variations and applications of the search model by Lagos & Wright (2005) as covered in Nosal & Rocheteau (2011).

Bibliography:

Overlapping generations model with money are for example covered in

- [1] G.T. McCandless Jr., *Introduction to Dynamic Macroeconomic Theory: An Overlapping Generations Approach*, Harvard University Press, 1992.
- [2] B. Champ & S. Freeman, *Modeling Monetary Economies*, John Wiley & Sons, Inc., 1994.

The two monetary search models covered in this course are due to

- [3] N. Kiyotaki & R. Wright, A search-theoretic approach to monetary economics, *American Economic Review* 83 (1993), 63-77.
- [4] R. Lagos & R. Wright, A unified framework for monetary theory and policy analysis, *Journal of Political Economy* 113 (2005), 463-484.

The main reference for the course is

- [5] E. Nosal & G. Rocheteau, *Money, Payments, and Liquidity*, MIT Press, 2011.

Course format and assessment: In the first part of the course, the lecturer will discuss a basic overlapping generations model with money, a simplified version of [3], and chapters 1, 2, and 4 from [5]. In the second part, students will present selected chapter from [5] and this material will be discussed in class. The final grade depends on class participation, perhaps a few homework exercises, and a final oral exam.

Registration: VGSE students please register via the VGSE administrator. Students not admitted to VGSE need to get permission to participate in the course from the VGSE speaker Prof. Maarten Janssen.

Website: <https://moodle.univie.ac.at/course/view.php?id=54665>