



Indian Institute of Management Indore

**INTEGRATED PROGRAMME IN MANAGEMENT (IPM)
TERM: IX**

TITLE OF THE COURSE: Monetary Economics (Elective)

CREDITS: 4

COURSE DESCRIPTION

Monetary Economics is one of the pillars of Macroeconomics. The advancements of macroeconomics in recent times have majorly evolved around this topic and its contemporary modeling techniques are widely used in policy formulation. Hence, it is understandable that the rigor of the subject has also escalated substantially. This present course serves as a first stepping stone to enter into that world, and come out of undergraduate basic macroeconomics. Thus, the course is placed in between post graduate and under graduate macroeconomics. The course is heavily dependent on micro-foundation of macroeconomics and mathematical modeling.

As the discipline suggests, this course starts with asking very fundamental question about Money and its need. Next, the other fundamental question is addressed as, even if money exists in the system, what should be the optimal quantity of money. After that the course moves towards a specific but a major policy challenge: time inconsistency problem. Before concluding, few broad topics on monetary policy are also discussed, briefly.

COURSE OBJECTIVES

The course aims:

- a) to equip students to face contemporary advancement in monetary macroeconomics.
- b) to make them comfortable with the micro-foundation approach of macroeconomics.
- c) to understand and to think more critically and objectively about monetary policy.