The aim of this course is to introduce the student to the basic concepts and models of monetary and financial economics. The student will learn about the following issues.

1. The role of money and other financial assets in the economy
2. The determinants of money demand and supply
3. The functioning of the money and financial markets
4. The role of banks and financial intermediaries
5. The effects of inflation
6. The working of the foreign exchange market
7. The role of monetary policy
8. Understand the role of budget constraints

The course uses the Overlapping Generations framework as a workhorse to address the issues mentioned above. If time permits we will also review other standard models of money.

The students will be asked to hand in four assignments during the course. All homeworks will be worth 30% of the final grade. Half way through the course, there will be a midterm worth 20% of the final grade. The final exam, to be held at the end of the course will be worth the remaining 50% of the final grade. We ask a minimum grade for the final of 4 points in the scale of 10.