

INTRODUCTION

FISCAL AND MONETARY POLICY 2024

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ABOUT THIS COURSE

- **Advanced graduate course** on fiscal and monetary policy.
- Not an exhaustive survey of the literature, but rather a selection of topics that I find interesting and important.
- The course will be based on a mix of theoretical and empirical papers.
- We will cover both tools and substance.
- Prerequisite: I will assume you took a course in Advanced Macroeconomics and are familiar with basic tools of dynamic macroeconomic analysis.
- Goal: you should be able to read and understand the most recent research in the field.

LOGISTICS

- My email address: p.zoch@uw.edu.pl
- Office hours: by appointment
- All materials will be posted on the course website:
<https://github.com/pzoch/FMP2024>

ROADMAP

1. Government spending multiplier: can government purchases stimulate the economy?
2. Fiscal capacity: what determines the ability of the government to raise revenue by issuing debt?
3. Debt management: how should deficits and debt respond to macroeconomic shocks?
4. Price level determination in monetary economies: what pins down the price level and determines the inflation rate?
5. Fiscal and monetary policy interactions: how actions of the monetary authority affect the fiscal authority, and vice versa?

REQUIREMENTS

1. **Problem sets:** two or three problem sets that will ask you to derive conclusions from the models we discuss in class. You can work in groups of up to two students.
2. **Referee report:** you will be asked to write a short (2-3 pages) report on a recent working paper. I will give you the list of papers in December.

I will give you more details on the referee report later in the semester.