

Econ5542 Analysis of Fiscal and Monetary Policy in China

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Course Objective:

This graduate course includes two parts. The first part provides elementary theories of monetary policy and fiscal policy, providing students a general framework for policy analysis. The second part mainly discusses the development of Chinese monetary policy and fiscal policy in the past three decades, the potential policy reform, and its implications to the Chinese economy. In addition, how monetary policy and fiscal policy respond to financial crises or public health crises will be widely analyzed and discussed in this course.

Required Textbook:

Lectures notes

References:

M. Woodford, Interest and Prices, Princeton University Press, 2003 (For Ph.D. student only)

C. Walsh, Monetary Theory and Policy (4th Edition), MIT Press, 2017.

(中文译本:《货币理论与政策》(第四版), 卡尔·瓦什著, 彭兴韵 郑黎黎 曾刚 译, 上海人民出版社)

《从此岸到彼岸: 人民币汇率如何实现清洁浮动》, 缪延亮 著, 中国金融出版社

《现代金融学: 货币银行、金融市场与金融定价》, 张成思 著, 中国金融出版社

《宏观经济数据分析手册》, 李奇霖 著, 上海财经大学出版社

Course Evaluation:

Grades for this course will be based on the following weighted average of three components: assignment (40%), midterm exam (35%), and group presentation (25%).

Major Topics:

1. ISLM in the open economy
2. Liquidity trap, QE, and Modern Monetary Theory (MMT)
3. Money supply, policy tool, and monetary policy in the US
4. Expectation and Inflation bias
5. China's Monetary policy framework
6. Government Financing (RE)
7. Government spending and SOE
8. Local government and land
9. Macro data for policy analysis
10. Group Presentation

Notes: All students are expected to read and understand The Chinese University of Hong Kong's policies about academic dishonesty. These policies are available at the following web addresses: <http://www.cuhk.edu.hk/policy/academichonesty/>.