

## Course Syllabus

### Financial Markets and Monetary Policy 7.5 Credits\*, First Cycle

#### Learning Outcomes

On completion of this course students will be able to:

- Explain the short- and long-term effects of monetary policy. (1)
- Explain the functions of a central bank, i.e. its actions and reactions and how it implements its policies. (2)
- Explain the formation of short- and long-term interest rates. (3)
- Explain interest rate parity. (4)
- Explain the pricing of the most common instruments used in the market to deal with risks. (5)
- Explain why regulations of the financial system is important for the stability of the financial market. (6)
- Explain and discuss problems concerning financial markets and monetary policy in both written and oral form. (7)

#### Course Content

The course covers the role of the financial market in the economy of society; international dependency and its effects on the financial markets for a small open economy; the formation of short- and long term interest rates; and an analysis of the transmission mechanism, the action and reaction functions of central banks, and the effects of their monetary policies in both fixed and flexible exchange rate systems.

#### Assessment

Written examination, 4 credits (examines learning outcomes 1–6)

Written report, peer review (opposition) and active participation in seminars, 3.5 credits (examines learning outcome 7)

#### Forms of Study

Lectures and seminars

#### Grades

The Swedish grades U–VG.

Written report assignment U – G

The written examination determines the final grade.



**Prerequisites**

General entry requirements and Mathematics 3b or 3c or Mathematics C, Social Sciences 1b or 1a1+1a2, English 6

**Other Information**

Replaces NA1034.

**Subject:**

Economics

**Group of Subjects:**

Economics

**Disciplinary Domain:**

Social Science, 100%

**This course can be included in the following main field(s) of study:**

1. Economics

**Progression Indicator within (each) main field of study:**

1. G1N

**Approved:**

Approved 11 March 2021

Valid from 8 June 2021