

McGILL UNIVERSITY
MONEY AND BANKING (ECON 623A, CRN 11802)
TOPICS IN MONETARY ECONOMICS (ECON 459A, CRN 11801)

INTRODUCTORY REMARKS: EVALUATING THE CURRENT STATE OF MONETARY MACROECONOMICS AND ITS MODELING

Caballero, R.J. "Macroeconomics after the crisis: time to deal with the pretense of knowledge syndrome." *Journal of Economic Perspectives*, 24, 2010, pp. 85-102.

Pfleiderer, P., "Chameleons: the misuse of theoretical models in finance and economics." March, 2014.

Krugman, P. "How did economists get it so wrong?" *The New York Times*, 6 September, 2009.

Mulligan, C. (2009a). "Is macroeconomics off track." *The Economists Voice*, www.bepress.com/ev, November, 2009.

Cochrane, J.H. "How did Paul Krugman get it so wrong?" Downloaded and printed, 6 September, 2009; <http://faculty.chicagobooth.edu/john.cochrane/research/Papers/#news>.

DeLong, J.B. "Is today's unemployment structural." *The Economists' Voice*, www.bepress.com/ev, September, 2010.

I. INTODUCTION TO MONETARY ECONOMICS AND THE GENERAL TRADITION IN MONETARY THEORY**I.1. Concepts and paradigms of macro and monetary economics**

*Handa (2009), Chs. 1.

I.2 Inherited theory: the quantity theory from Hume, Fisher, Pigou and Wicksell

*Handa (2009), Chs. 2.

Fisher, Irving. *The Purchasing Power of Money*. Macmillan, 1911, Chs. 1-4, 8.

Hume, D. "Of Money" and "Of Interest". 1752.

*Handa, 2009, Ch. 13.

- F. Alvarez, R. E. Lucas, Jr., and W. E. Weber. "Interest rates and inflation". *Federal Reserve Bank of Minneapolis Working paper* #609, 2001.
- Clarida, R., J. Gali and M. Gertler. "Monetary policy rules in practice: some international evidence". *European economic Review*, 42, 1998, pp. 1003-67.
- Romer, D. "Keynesian macroeconomics without the LM curve". *Journal of Economic Perspectives*, 14, pp. 149-169, 2000.
- *Taylor, J. B. "Discretion versus policy rules in practice". *Carnegie-Rochester Conference Series on Public Policy* 39, 1993, pp. 195-214.

III. MODELS OF THE CLAS

*Poole, W. "Optimal Choice of Monetary Policy Instruments in a Simple Stochastic Macro Model." *Quarterly Journal of Economics*, 48, 1970, pp. 197-216.

*John B. Taylor, ed. *Monetary Policy Rules*. Chicago: University of Chicago Press, 1999.