The course will provide an introduction to the New Keynesian model and its implications for monetary policy. The list of topics covered, together with a basic reading list is provided below. The main reference for the course is:


1. The Basic New Keynesian Model

A baseline model for monetary policy analysis. The New Keynesian Phillips curve. The output gap and the natural rate of interest. The effects of monetary policy shocks. The effects of technology shocks.


2. Monetary Policy Design in the Basic New Keynesian Model


3. Some Extensions and its Implications for Monetary Policy.


