

<b>Module title</b>		<b>Abbreviation</b>
European Macroeconomic Policy		12-M-EMP-102-m01
<b>Module coordinator</b>		<b>Module offered by</b>
holder of the Chair of Monetary Policy and International Economics		Faculty of Business Management and Economics
<b>ECTS</b>	<b>Method of grading</b>	<b>Only after succ. compl. of module(s)</b>
5	numerical grade	--
<b>Duration</b>	<b>Module level</b>	<b>Other prerequisites</b>
1 semester	graduate	--
<b>Contents</b>		
<p>Description: The course provides students with an overview of the macroeconomic conditions and consequences of European integration and monetary union. The course thus helps students gain a deeper understanding of the current crisis in the euro area as well as the debate on the future of European economic integration.</p> <p>Content: The first part of the course provides students with an overview of the history of European integration with a focus on economic and monetary integration. We then discuss the institutional framework of the European Monetary System, the predecessor of the euro area in the period from 1979 to 1998. Next, the criteria for admission to the European Monetary Union (EMU) and the monetary policy strategy of the European Central Bank will be presented and discussed. Building on the traditional Mundell-Fleming model, the course will make students familiar with the theory of the optimum monetary area and will then provide them with deeper insights into this theory on the basis of a simple New Keynesian model. Students will thus be able to make a well-founded assessment of the advantages and disadvantages of monetary union as well as the conditions under which monetary union can be successful. In the final part of the course, we analyse the coordination and incentive problems that arise for fiscal policy in a monetary union. In particular, we deal with the question of how these issues are addressed within the European Monetary Union. Current macroeconomic developments within the euro area as well as the causes and consequences of the euro crisis are discussed at various points in the course.</p>		
<b>Intended learning outcomes</b>		
After completing this course students will have gained a profound understanding of the costs and benefits of monetary integration in general and specifically in the EMU. Thus, they will enhance their general macroeconomic understanding by applying it to real world problems. In addition, students will have knowledge of the institutions of common fiscal and monetary policy in Europe.		
<b>Courses</b> (type, number of weekly contact hours, language — if other than German)		
V + Ü (no information on SWS (weekly contact hours) and course language available)		
<b>Method of assessment</b> (type, scope, language — if other than German, examination offered — if not every semester, information on whether module is creditable for bonus)		
written examination (approx. 60 minutes)		
<b>Allocation of places</b>		
Business Management Master's and Economics Master's: no restrictions. Applied Human Geography Master's and Political and Social Sciences Master's: 10 places. Places will be allocated by lot.		
<b>Additional information</b>		
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<b>Workload</b>		
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<b>Referred to in LPO I</b> (examination regulations for teaching-degree programmes)		
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<b>Module appears in</b>		

Master's degree (1 major) Business Management (2010)  
Master's degree (1 major) Applied Human Geography (2010)  
Master's degree (1 major) Economics (2010)  
Master's degree (1 major) Political and Social Sciences (2010)