# Monetary policy

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Macro approach

1. Why money matters:
    a. MIU (Walsh, §2)
    b. Transactions (Walsh, §3)
    c. Cash-in-Advance (in DSGE) (Gali, §2)
2. New Keynesian DSGE (Walsh , §8, Friedman, §7, Handa, §15)
    a. Dynamic IS (Friedman, §4-6)
    b. Phillips curve (Friedman, §10)
    c. General Equilibrium
    d. Nominal regidities:
        i. Pricing (Calvo and Rotemberg)
3. Central Banking (Handa, §10-12)
    a. Taylor rule (Woodford, 2001 )
    b. Policy with and without commitment (Romer, §10, Walsh, §7)

Microfoundations

1. OLG (Handa, §21-23)
    a. Without money
    b. With money
2. Search models
    a. Job search (intro, simplest model, Stigler, 1961 and McCall, 1970)
    b. Exchange model without money (Diamond, 1982)
    c. Transaction models (Rubinstein, Wolinsky, 1985; Kiyotaki, Wright, 1993; Trejos, Wright '1995)

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