

Reading list 2009–10

115 Monetary economics

The current edition of the subject guide is the 2009 edition. This reading list was last updated in May 2009. Any queries about this reading list should be directed to externalstudy@lse.ac.uk.

Essential reading

Unfortunately no single textbook adequately covers the whole of the syllabus.

For sections 1 and 2 of this unit, you are encouraged to buy

Either Goodhart, C.A.E. *Money, Information and Uncertainty*. (London: Macmillan, 1989) second edition [ISBN 9780262570756].

Or Lewis, M.K. and P.D. Mizen *Monetary Economics*. (Oxford; New York: Oxford University Press, 2000) [ISBN 9780198290629].

For section 3 of this unit, you are encouraged to buy

Krugman, P. and M. Obstfeld *International Economics*. (Pearson International Edition, 2009) eighth edition [ISBN 9781408208076]. (See publisher's website).

For all the chapters in the subject guide, the reading is taken from the following texts

Books

Artis, M.J. and M.K. Lewis *Money in Britain: Monetary policy, innovation and Europe*. (New York; London: Philip Allan, 1991) [ISBN 9789991577456].

Cagan, P. 'The monetary dynamics of hyperinflation', in Friedman, M. (ed.) *Studies in the Quantity Theory of Money*. (Chicago: University of Chicago Press, 2000) [ISBN 9780226264042].

Gordon, R.J., 'A century of evidence on wage and price stickiness in the US, the UK and Japan', in Tobin, J. (ed.) *Macroeconomics, Prices and Quantities*. (Oxford: Blackwell, 1983) [ISBN 9780815784852].

Hallwood, C.P. and R. MacDonald *International Money and Finance*. (Oxford: Blackwell, 2000) third edition [ISBN 9780631204626].

Hargreaves Heap, S.P. *The New Keynesian Macroeconomics: Time, belief and social independence*. (Aldershot, Hants, England; Brookfield, Vt., USA: Edward Elgar Publishing, 1992) [ISBN 9781852785987].

Harris, L. *Monetary Theory*. (New York; London: McGraw-Hill, 1985) [ISBN 9780070663480].

Hoover, K.D. *The New Classical Macroeconomics*. (Oxford: Blackwell, 1988) [ISBN 9780631146056].

Laidler, D.E.W. *The Demand for Money: Theories, Evidence and Problems*. (New York: Harper Collins, 1997) fourth edition [ISBN 9780065010985].

Lucas, R.E. 'Econometric policy evaluation: a critique', in Brunner, K. and A.H. Meltzer (eds) *The Phillips Curve and Labor Markets*. (Amsterdam; Oxford: North-Holland, 1976) [ISBN 9780444110077].

Mankiw, N.G. *Macroeconomics*. (New York: Worth Publishers, 2002) fifth edition [ISBN 9780716752370].

McCallum, B. *Monetary Economics*. (New York: Macmillan; London: Collier Macmillan, 1989) [ISBN 9780023784712].

Mishkin, F.S. *The Economics of Money, Banking and Financial Markets*. (Boston, Mass.; London: Prentice Hall, 2007) eighth edition [ISBN 9780321415059].

Newman, P., M. Milgate and J. Eatwell (eds) *The New Palgrave Dictionary of Money and Finance*. (London: Macmillan, 1994) [ISBN 9780333527221].

Journals

- Dornbusch, R. 'Expectations and exchange rate dynamics', *Journal of Political Economy* 84(6) 1976, pp.1161–1176.
- Dornbusch, R. 'Lessons from experience with high inflation', *The World Bank Economic Review* (6) 1992, pp.13–31
- Kydland, F.E. and E.C. Prescott 'Rules rather than discretion: the inconsistency of optimal plans', *Journal of Political Economy* 85(3)1977, p.473.
- Long, J. and C. Plosser 'Real business cycles', *Journal of Political Economy* 91(1) 1983, pp.39–69.
- Plosser, C. 'Understanding real business cycles', *Journal of Economic Perspectives* 3(3) 1989, pp.51–77.
- Taylor, J.B. 'An historical analysis of monetary policy rules', National Bureau of Economic Research working paper, w6768, (1998). Available at <http://papers.nber.org/papers/W6768> [Last accessed March 2009].
- Taylor, M. 'The economics of exchange rates', *Journal of Economic Literature* 33(1) 1995, pp.13–47.

Further reading

Books

- Blanchard, O.J. 'Why does money affect output? A survey', in Friedman, B. and F. Hahn (eds) *Handbook of Monetary Economics*. (Amsterdam: North-Holland, 1990) [ISBN 9780444880260].
- Bordo, M.D. 'Gold standard: theory', in Newman, P., M. Milgate and J. Eatwell (eds) *The New Palgrave Dictionary of Money and Finance*. (London: Macmillan, 1994) [ISBN 9780333527221].
- Branson, W.H. *Macroeconomic Theory and Policy*. (New York; London: Harper and Row, 1989) third edition [ISBN 9780060409326].
- Brunner, K. 'High-powered money and the monetary base', in Newman, P., M. Milgate and J. Eatwell (eds) *The New Palgrave Dictionary of Money and Finance*. (London: Macmillan, 1994) [ISBN 9780333527221].
- Burda, M. and C. Wyplosz *Macroeconomics: A European text*. (Oxford: Oxford University Press, 2005) fourth edition [ISBN 9780199264964].
- Cagan, P. 'Hyperinflation', in Newman, P., M. Milgate and J. Eatwell (eds) *The New Palgrave Dictionary of Money and Finance*. (London: Macmillan, 1994) [ISBN 9780333527221].
- Cagan, P. 'Monetarism', in Newman, P., M. Milgate and J. Eatwell (eds) *The New Palgrave Dictionary of Money and Finance*. (London: Macmillan, 1994) [ISBN 9780333527221].
- Clower, R.W. 'Introduction' in Clower, R.W. (ed.) *Monetary Theory: Selected readings*. (Harmondsworth: Penguin, 1969) [ISBN 9780140801217].
- Danthine, J.P. 'Superneutrality', in Newman, P., M. Milgate and J. Eatwell (eds) *The New Palgrave Dictionary of Money and Finance*. (London: Macmillan, 1994) [ISBN 9780333527221].
- De Cecco, M. 'Gold standard', in Newman, P., M. Milgate and J. Eatwell (eds) *The New Palgrave Dictionary of Money and Finance*. (London: Macmillan, 1994) [ISBN 9780333527221].
- De Grauwe, P. *The Economics of Monetary Integration*. (Oxford: Oxford University Press, 2007) seventh edition [ISBN 9780199297801].
- De Trenquallye, P. 'Fixed exchange rates', in Newman, P., M. Milgate and J. Eatwell (eds) *The New Palgrave Dictionary of Money and Finance*. (London: Macmillan, 1994) [ISBN 9780333527221].
- Dornbusch, R. and S. Fischer *Macroeconomics*. (Boston: McGraw Hill, 2003) ninth edition [ISBN 9780071232371].
- Friedman, M. 'The quantity theory of money: a restatement', in Friedman, M. (ed.) *Studies in the quantity theory of money*. (University of Chicago Press, 1956) [ISBN 9780226264042].
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- Giovannetti, G. 'Law of one price', in Newman, P., M. Milgate and J. Eatwell (eds) *The New Palgrave Dictionary of Money and Finance*. (London: Macmillan, 1994) [ISBN 9780333527221].
- Goldfeld, S.M. 'Demand for money: empirical studies', in Newman, P., M. Milgate and J. Eatwell (eds) *The New Palgrave Dictionary of Money and Finance*. (London: Macmillan, 1994) [ISBN 9780333527221].
- Goldfeld, S.M. and D.E. Sichel 'The demand for money', in Friedman, B. and F. Hahn (eds) *Handbook of monetary economics*. (Amsterdam: North-Holland, 1990) [ISBN 9780444880260].
- Goodhart, C.A.E. 'The Development of Monetary Theory' in Llewellyn, D.T. (ed.) *Reflections on Money*. (Basingstoke: Macmillan, 1989b) [ISBN 9780333485293].
- Goodhart, C.A.E. 'The monetary base', in Newman, P., M. Milgate and J. Eatwell (eds) *The New Palgrave Dictionary of Money and Finance*. (London: Macmillan, 1994) [ISBN 9780333527221].
- Goodhart, C.A.E. *Money, Information and Uncertainty*. (London: Macmillan, 1989) second edition [ISBN 9780262570756]. Chapters 17 and 18.
- Hallwood, C.P. and R. MacDonald *International Money and Finance*. (Oxford: Blackwell, 2000) third edition [ISBN 9780631204626].
- Harris, L. *Monetary Theory*. (New York; London: McGraw-Hill, 1985) [ISBN 9780070268401]. Chapter 1.
- Isard, P. *Exchange Rate Economics*. (Cambridge: Cambridge University Press, 1995) [ISBN 9780521460477].
- Kiyotaki, N. and R. Wright 'Acceptability, Means of Payment, and Media of Exchange', *Federal Reserve Bank of Minneapolis Quarterly Review*, Summer 1992. Also in Newman, P., M. Milgate and J. Eatwell (eds) *The New Palgrave Dictionary of Money and Finance*. (London: Macmillan, 1994). [ISBN 9780333527221].
- Laidler, D.E.W. *Taking money seriously and other essays*. (New York; London: Philip Allan, 1990) [ISBN 9780860031772]. Chapters 4 and 5.
- Lewis, M.K. and P.D. Mizen *Monetary Economics*. (Oxford; New York: Oxford University Press, 2000) [ISBN 9780198290629].
- MacDonald, R. 'Floating exchange rates', in Newman, P., M. Milgate and J. Eatwell (eds) *The New Palgrave Dictionary of Money and Finance*. (London: Macmillan, 1994) [ISBN 9780333527221].
- Mankiw, N.G. *Macroeconomics*. (New York: Worth Publishers, 2002) fifth edition [ISBN 9780716752370].
- Marston, R.C. 'Devaluations', in Newman, P., M. Milgate and J. Eatwell (eds) *The New Palgrave Dictionary of Money and Finance*. (London: Macmillan, 1994) [ISBN 9780333527221].
- Max Corden, W. 'Current account of the balance of payments', in Newman, P., M. Milgate and J. Eatwell (eds) *The New Palgrave Dictionary of Money and Finance*. (London: Macmillan, 1994) [ISBN 9780333527221].
- McCallum, B. *Monetary Economics*. (New York; Macmillan; London: Collier Macmillan, 1990) [ISBN 9780029460344].
- Mishkin, F.S. *The Economics of Money, Banking and Financial Markets*. (Boston, Mass.; London: Addison Wesley, 2003) eighth edition [ISBN 9780321494405]. Chapter 8.
- Newlyn, W.T. and R.P. Bootle *Theory of Money*. (Oxford: Clarendon Press, 1978) third edition [ISBN 9780198770992]. Chapter 1.
- Papademos, L. and F. Modigliani 'The supply of money and the control of nominal income', in Friedman, B. and F. Hahn (eds) *Handbook of monetary economics*. (Amsterdam: North-Holland, 1990) [ISBN 9780444880260].
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- Phelps, E.S. *Microeconomic Foundations of Employment and Inflation Theory*. (New York: Norton, 1973) [ISBN 9780393093261].
- Romer, D. *Advanced Macroeconomics*. (Boston; London: McGraw Hill, 2005) third edition [ISBN 9780072877304]. Chapter 6.
- Rotemberg, J.J. and M. Woodford 'Dynamic general equilibrium models with imperfectly competitive markets', in Cooley, T. (ed.) *Frontiers of Business Cycle Research*. (Princeton, N.J.; Chichester: Princeton University Press, 1995) [ISBN 9780691043234].

- Pilbeam, K. *International Finance*. (MacMillan, 2006) third edition [ISBN 9781403948373].
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- Walsh, C.E. *Monetary Theory and Policy*. (Cambridge, Mass.: MIT Press, 2003) [ISBN 9780262232319].

Journal articles

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- Goodhart, C.A.E. 'The conduct of monetary policy', *Economic Journal* 99(396) 1989, pp.293–346.
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