Financial Macroeconomics I (CM)
Master Law & Finance (M2)
Autumn 2021

This 18-hour class is part of the master programme in Law and Finance at the University of Angers.

Time: variable
Room: variable
First class: 14 October 2021
Office hours: by appointment, write to Guido.Hulsmann@univ-angers.fr

Evaluation
Research Paper (50%)
Final Exam (50%)

Contents and objectives
This class deals with basic theoretical and empirical issues pertaining to the role of finance and financial markets within a market economy. The main objective is to understand how this role is transformed by the impact of monetary interventions, and by central-bank policies in particular.

We will start off by abstracting from financial markets and government interventions altogether, and focus on the basic mechanisms of capital accumulation and capital consumption (chapters 1 and 2). Then we will discuss causes and consequences of price-inflation and price-deflation (chapter 3) before introducing financial exchanges into our analysis while still abstracting from government interventions (chapter 4). We will study in particular how the financial sector relates to the real economy, how resources are owned and used. In a final step, we will consider the impact of monetary interventions, both in respect to their intended consequences and in respect to the collateral effects that typically result from such interventions (chapters 5 and 6).
Mandatory Readings


Complementary Readings

Braun E (2014) *Finance Behind the Veil of Money* (Liberty.me)

Schedule

1. Savings-Induced Growth
2. Capital Accumulation and Consumption
3. Inflation and Deflation
4. Financial Markets and the Real Economy
5. Transmission Channels of Monetary Policy
6. Unintended Consequences of Monetary Interventions
Research Papers

Student research papers should give a concise presentation and discussion of the scientific literature on the given subject in 3500-4000 words. Each paper should demonstrate:

a) The author’s erudition (5 points out of 20)
b) His ability to focus on essential information and issues (5 points out of 20)
c) His ability to express his thoughts clearly and systematically (5 points out of 20)
d) His ability to work within the formal constraints of academic work (5 points out of 20)

Students will have to declare their preferred subjects by email. Each topic will be attributed to the first claimant. The declaration needs to be made at the beginning of the second class, at latest. The papers have to be submitted by Friday, 3 December 2021. Each additional day will reduce your grade by one point.

Possible topics:

1. The Consequences of Eurobonds
2. The Consequences of Rising Price-Inflation Rates
3. Price-Inflation and Financial Markets
4. Energy Prices and Financial Markets
5. Covid Policies and Unemployment in the EU
6. Real Estate Markets and Financial Markets
7. Covid Policies and Inequalities of Income and Wealth
8. How to Reduce Public Debt?
11. The Impact of Western Covid Policies on Emerging Markets
12. Pension Systems and Macroeconomic Performance
13. Can Green Finance Reach Its Objectives?
14. Economic and Political Problems of Target-2 Deficits
15. The Potential Consequences of Quitaly
16. Monetary Policy and Financial-Asset Prices
17. The Austrian Theory of the Business Cycle
18. Why Did the Great Depression Last So Long?
19. Sectorial Financial Structure in France (Italy, Poland)
20. Financial Repression in the Eurozone
21. Legal Regimes and Financial Markets
22. Monetary Policy and Wealth Distribution
23. Monetary Policy and Moral Hazard
24. Monetary Policy and Financial-Market Structure
25. Measuring Moral Hazard on Financial Markets