

# Rules for essay

- Size, about 10 pages
- Format
  - Problem, purpose
  - Method, model, assumptions (refer to new Keynesian model)
  - Analysis
  - Conclusions

# Subjects for essay

- Sticky prices
  - Empirical, various studies
    - Compare
      - Countries
      - Methods
      - Time periods
      - Theories
  - Theoretical
    - Pricing models
    - In new Keynesian model

# Pricing and Phillips curves

- Phillips curves
  - Theoretical
    - NKPC and pricing models
    - Hybrid curve
    - Mankiw/Reis sticky information
    - Other curves, compare with NKPC
      - Ball/Mankiw
      - Akerlof, Dickens, Perry near/rational
  - Empirical
    - Estimate
    - Compare various estimates

# Dynamic IS curve

- NK case very forward looking
- Consumption habits
  - Models
  - RAMSES model in the Riksbank
  - Effects
- Consumption response to changes in the interest rate
  - Models and empirical results

# Monetary policy

- Policy rules
- Targeting
  - Inflation
  - Fixed exchange rate
  - Flexible inflation targeting
  - Target variable
- Policy in practice

# Models used in practice

- New Keynesian model
  - RAMSES in Riksbank
  - ECB model
- Other models (complement)
  - Model suite
  - Are forecasts good?