

ECO 216, HW#5

Due at the start of class on November 7

The Fed Challenge Team is exempt from this assignment.

This assignment asks you to briefly research the current policy stance of several Central Banks besides the Fed (but who, like the Fed, allow their currencies to float). As a general guideline, 200-300 words per question is appropriate. Incorporating relevant data into your answers is encouraged.

1. Why is the European Central Bank expected to soon start reducing its Quantitative Easing (buying assets even when interest rates are near zero) program?
2. How has the Bank of Japan conducted its monetary policy since Shinzo Abe became Prime Minister?
3. How has Brexit (the U.K.'s plans to leave the EU) affected the Bank of England's thinking?
4. Identify a Central Bank that has started charging negative interest rates and explain why they have pursued this policy?
 - 1i. (worth 0 points) How should the Iron Bank adjust its monetary policy in response to the invasion of Westeros by ice-fire breathing, blue-eyed, zombie dragons?