Introduction

Mishkin, F.S. (1995), Symposium on the Monetary Transmission Mechanism, Journal of Economic Perspectives, 9(4), 3-10.

1) The Credit Channel

Bernanke, B. S. and A. S. Blinder (1988), *Credit, Money and Aggregate Demand*, American Economic Review, 78, 435-439.

Bernanke, B.S. and M. Gertler (1995), *Inside the Black Box: The Credit Channel of Monetary Policy Transmission*, Journal of Economic Perspectives, 9(4), 27-48.

Bernanke, B. S. and A. S. Blinder (1988), *Credit, Money and Aggregate Demand*, NBER Working Paper 2534.

2) Monetary Policy and Bank Balance Sheets

Stein, J. (1998), An Adverse Selection Model of Bank Asset and Liability Management with Implications for the Transmission of Monetary Policy, Rand Journal of Economics, 29(3), 466-486.

Kashyap, A.K. and J. C. Stein (1994), *The Impact of Monetary Policy on Bank Balance Sheets*, NBER Working Paper 4821.

3) Transmission and Optimal Representation

Hefeker, C. and D. Gros (2002), One Size Must Fit All: National Divergences in a Monetary Union, *German Economic Review*, 3(3), 247-262.

Peersman, G. and F. Smets (2001), *The Monetary Transmission Mechanism in the Euro Area: More Evidence from VAR Analysis*, ECB Working Paper 91.

Berben, R.-P., Locarno, A., Morgan, J. and J. Valles (2004), *Cross-Country Differences in Monetary Policy Transmission*, ECB Working Paper No. 400.

4) The Greenspan Conundrum – Why Do US Long Term Interest Rates Not Rise?

Sellon, G.H. (2004), Expectations and the Monetary Policy Transmission Mechanism, *Federal Reserve Bank of Kansas City, Economic Review*, Fourth Quarter

Roley, V.V. and G.H. Sellon (1995), *Monetary Policy Actions and Long-Term Interest Rates*, Federal Reserve Bank of Kansas City, Economic Review, Fourth Quarter

Chapter 10.3 in Walsh, C. (2003) *Monetary Theory and Policy*, 2. Auflage, MIT Press: Cambridge, MA.

5) The Interest Rate Channel in the Euro Area

Angeloni, I., Kashyan, A.K., Mojon, B. and D. Terlizzese (2003), *Monetary Transmission in the Euro Area: Does the Interest Rate Channel Explain all?*, NBER Working Paper No. 9984.

6) Transmission in Europe and the USA: Are there Differences?

Angeloni, I., Kashyan, A.K. and D. Terlizzese (2003), *The Output Composition Puzzle: A Difference in the Monetary Transmission Mechanism in the Euro Area and U.S.*, NBER Working Paper No. 9985.

Ludvigson, S., Steindel, C. and M. Lettau (2002), *Monetary Policy Transmission through the Consumption-Wealth Channel*, Economic Policy Review (Federal Reserve Bank of New York), 117-133.

7) Monetary Policy Transmission in(to) a small open Economy

J. Gali, and T. Monacelli, 2005. *Monetary Policy and Exchange Rate Volatility in a Small Open Economy*, Review of Economic Studies 72, 707–734.

8) The Effect of Price Setting and Exchange Rate Flexibility for Monetary Policy Transmission in the open Economy

M. Devereux and C. Engel, 2000. *Monetary Policy in the open Economy revisited: Price Setting and Exchange Rate Flexibility*, NBER Working Paper 7665.

Additional helpful references:

- Chapter 10 in Obstfeld, M. and Rogoff, K., *Foundations of International Macroeconomics*, MIT Press: Cambridge, MA.
- Chapter 6 in Walsh, C. (2003) *Monetary Theory and Policy*, 2. Auflage, MIT Press: Cambridge, MA.

9) The New Keynesian Phillips Curve and the Role of Expectations in Monetary Policy

J. Galí, 2002. New Perspectives on Monetary Policy, Inflation, and the Business Cycle, NBER Working Paper No. 8767.

10) The simple Geometry of Transmission in open Economies

G. Corsetti, and P. Pesenti, 2005. *The simple Geometry of Transmission and Stabilitzation in closed and open Economies*. NBER Working Paper 11341.