



## 1. Introduction

These lesson plans can be used by teachers who are mentoring students taking part in the Generation Euro Students' Award. They outline activities and resources to help you to guide students through each round of the competition.

- **Round 1** – Online quiz
- **Round 2** – Assignment
- **Round 3** – Presentation

Use of these lesson plans is completely at the discretion of the teacher, but the topics and resources outlined here should enable students to gain the right level of knowledge and skills to tackle the competition.

To successfully complete the quiz, students will need to read up and learn about the euro area and the institutional framework that was created for the euro. The first lessons, therefore, focus on the quiz and contain material and exercises to prepare students for this task.

The assignment (and the presentation) will depend on the students' knowledge of the factors influencing economic developments and of current economic affairs. The lessons thereafter relate to the assignment, drawing on monetary policy resources and other economic information (both theory and practice).

Finally, the last set of lessons provide hints and tips for preparing for the final presentation round.

## 2. Lesson plans

### Round 1: The online quiz

Students need to have a good knowledge of monetary policy and of the economic and institutional framework of the euro area and the Eurosystem to complete the quiz. Lessons 1 to 8 aim to bring their knowledge up to that level. Students can explore various resources and engage in different activities in order to familiarise themselves with the Eurosystem.

The quiz also requires some understanding of factors influencing economic developments. The lessons, therefore, also cover the fundamentals of macroeconomics and the role of monetary policy. This knowledge is then further developed at the assignment stage.





## The Quiz - Lesson 1

<p><b>Overview &amp; purpose</b></p> <ul style="list-style-type: none"> <li>• Explain the purpose of the competition, mentioning the prizes.</li> <li>• Discuss the steps involved.</li> <li>• Agree on an outline of the tasks and a timetable.</li> </ul> <p><b>Preparing for the quiz</b></p> <ul style="list-style-type: none"> <li>• Familiarise the students with the process of European integration.</li> <li>• Give an historical overview.</li> </ul>	
<p><b>Objectives</b> (Skills/information that will be learned)</p>	<ol style="list-style-type: none"> <li>1. Agree on the timeframe and steps involved in the competition.</li> <li>2. Identify the deadlines and the work involved at the various stages of the competition. You can find the deadlines on the Generation Euro website (<a href="http://www.generationeuro.ie">www.generationeuro.ie</a>) and in the teacher's booklet.</li> <li>3. Devise a plan.</li> <li>4. Build up knowledge of the history and development of the Eurosystem and the ECB.</li> </ol>
<p><b>Information</b> (Provide necessary information)</p>	<ul style="list-style-type: none"> <li>• Read through the teacher's booklet, focusing on the various tasks and what they involve (<i>Resource 1</i>).</li> <li>• Read the explainer "<a href="#">What is a Central Bank?</a>" on the 'Tell me' section of the ECB's website (<i>Resource 2</i>).</li> <li>• Read about the <a href="#">ECB, ESCB and the Eurosystem</a> on the ECB website (<i>Resource 3</i>).</li> <li>• Review interactive map "<a href="#">Who joined the euro area when?</a>" (<i>Resource 4</i>).</li> <li>• Go through the <a href="#">history of Economic and Monetary Union</a> (<i>Resource 5</i>).</li> </ul>
<p><b>Activity</b> (Activities to reinforce the lesson)</p>	<ul style="list-style-type: none"> <li>• Make a timeline starting from 1950 until the present day with important dates relating to the euro area.</li> <li>• Include what happened and why. Knowledge taken from other subjects, for example, history, could also be included.</li> </ul>
<p><b>Evaluation</b> (Steps to evaluate students' understanding)</p>	<ul style="list-style-type: none"> <li>• Hold a discussion within the group about the developments leading to European integration. What were the reasons? What were the difficulties/obstacles? What conditions needed to be met to achieve this? (three stages of EMU).</li> </ul>
<p><b>Assignment</b> (Preparation for next lesson)</p>	<ul style="list-style-type: none"> <li>• Finalise the timeline.</li> <li>• Read the rest of the text on the Generation Euro website (<i>Resource 3</i>).</li> </ul>

### Resources:

1. Teacher's booklet
2. Videos and explainers on the [ECB's website](#)
3. Background information on the ECB website: [ECB, ESCB and the Eurosystem](#)
4. Interactive map: [Who joined the euro area when](#)
5. The [history of Economic and Monetary Union](#) on the ECB's website



## The Quiz - Lesson 2

<p><b>Preparing for the quiz</b></p> <ul style="list-style-type: none"> <li>Understand the objective and role of the Eurosystem and the ECB, as well as their links with other European Union institutions.</li> <li>Explain the advantages of a single currency and price stability in the medium term, even in times of crisis.</li> <li>Explain the importance of price stability in anchoring inflation expectations and long-term interest rates, which, in turn, supports the adjustment process and, among other things, fosters growth.</li> <li>Expand knowledge of the monetary policy of the Eurosystem, i.e. explain the standard and non-standard monetary policy measures.</li> </ul>	
<p><b>Objectives</b> (Skills/information that will be learned)</p>	<ul style="list-style-type: none"> <li>Gain an overview of the framework and the legal foundations of the single currency.</li> <li>Learn about the role and tasks of the Eurosystem, including the ECB.</li> <li>Understand the advantages of a single currency in promoting trade and economic growth.</li> <li>Explore the importance of price stability. This will include the costs of inflation and deflation.</li> <li>Comprehend the elements involved in deciding on the monetary policy (monetary policy strategy).</li> </ul>
<p><b>Information</b> (Provide necessary information)</p>	<ul style="list-style-type: none"> <li>Read background information about the <a href="#">Eurosystem</a> on the ECB website (<i>Resource 1</i>).</li> <li>Show the video "<a href="#">ECB &amp; Eurosystem Explained</a>" (3 mins) (<i>Resource 2</i>).</li> <li><a href="#">Show cartoon on price stability</a> (8 mins) (<i>Resource 3</i>).</li> </ul>
<p><b>Activity</b> (Activities to reinforce the lesson)</p>	<ul style="list-style-type: none"> <li>Based on what the students have learned, make a short list of the costs of inflation and deflation. Why do we want to avoid high inflation and deflation?</li> <li>Make a list of indicators/economic factors that would be important in each of the two pillars.</li> </ul>
<p><b>Evaluation</b> (Steps to evaluate students' understanding)</p>	<ul style="list-style-type: none"> <li>Discuss the costs of inflation and deflation.</li> <li>Either in small groups, or in class, ask the students to: <ul style="list-style-type: none"> <li>name some factors that might cause inflation;</li> <li>explain what a central bank can do to reduce inflation (does the cause of inflation matter?) and prevent deflation;</li> <li>explain how inflation is measured.</li> </ul> </li> </ul>
<p><b>Assignment</b> (Preparation for next lesson)</p>	<ul style="list-style-type: none"> <li>Read about <a href="#">Monetary policy on ECB website</a> (<i>Resource 5</i>) in preparation for the next lesson; it provides further information on topics already covered in this lesson.</li> </ul>

### Resources:

- Background information on the [Eurosystem](#) on ECB website
- ECB YouTube Channel "[ECB & Eurosystem Explained](#)"
- [Cartoon on price stability](#) – simply explains inflation & deflation
- ECB interactive game "[Inflation Island](#)"
- ["The ECB/Eurosystem's monetary policy"](#)





## The Quiz - Lesson 3

<p><b>Preparing for the quiz</b></p> <ul style="list-style-type: none"> <li>Take a closer look at the ECB/Eurosystem's monetary policy.</li> </ul>	
<p><b>Objectives</b> (Skills/information that will be learned)</p>	<p>This lesson will build on Lesson 2 and provide students with a better understanding of the ECB/Eurosystem's monetary policy.</p>
<p><b>Information</b> (Provide necessary information)</p>	<p>The document entitled "<a href="#">The ECB/Eurosystem's monetary policy</a>" (<i>Resource 1</i>) provides more details on the mandate and the monetary policy strategy of the ECB. In particular, it covers the following topics:</p> <ul style="list-style-type: none"> <li>primary objective – price stability;</li> <li>choice of price index;</li> <li>the medium-term orientation;</li> <li>the two pillars: <ul style="list-style-type: none"> <li>economic analysis (real economic and financial indicators)</li> <li>monetary analysis (monetary aggregates)</li> </ul> </li> <li>the reference value for monetary growth.</li> </ul> <p>Familiarise the students with relevant data from the statistical section of the <a href="#">Economic Bulletin</a> referred to in the text (<i>Resource 2</i>).</p>
<p><b>Activity</b> (Activities to reinforce the lesson)</p>	<ul style="list-style-type: none"> <li>Hand out a copy of the latest <a href="#">introductory statement</a> (<i>Resource 3</i>) and ask the students to identify central indicators, both in the economic and monetary analysis.</li> <li>Discuss how these indicators are used to assess the risks to the economic outlook and price developments?</li> </ul>
<p><b>Evaluation</b> (Steps to evaluate students' understanding)</p>	<ul style="list-style-type: none"> <li>Discuss, in class, the reasoning behind the latest interest rate decision.</li> </ul>
<p><b>Assignment</b> (Preparation for next lesson)</p>	<ul style="list-style-type: none"> <li>Read about the monetary policy instruments before the next lesson (<i>Resource 4</i>).</li> </ul>

### Resources:

- Background information on the Generation Euro website: "[The ECB/Eurosystem's monetary policy](#)" (pdf).
- The statistical section of the latest [ECB Economic Bulletin](#).
- The latest [introductory statement](#).
- Background information on the ECB website: "[Monetary policy](#)".





## The Quiz - Lesson 4

<b>Preparing for the quiz</b> <ul style="list-style-type: none"> <li>• Become familiar with the monetary policy instruments.</li> <li>• Develop knowledge of euro banknotes and coins.</li> </ul>	
<b>Objectives</b> (Skills/information that will be learned)	<ul style="list-style-type: none"> <li>• Recognise the role of the central bank as “the banks’ bank”.</li> <li>• Familiarise the students with the instruments used by the <a href="#">Eurosystem to implement monetary policy</a> (Resource 1).</li> <li>• Understand ‘seigniorage’ as the revenue from issuing currency.</li> <li>• Familiarise the students with the euro banknotes and coins, their designs and security features.</li> </ul>
<b>Information</b> (Provide necessary information)	<p><b>Review</b> explanatory notes on the ECB website (Resource 2):</p> <ul style="list-style-type: none"> <li>• <a href="#">What is a Central Bank?</a></li> <li>• <a href="#">What is Monetary Policy?</a></li> </ul> <p><b>Review</b> the <a href="#">ECB website on euro banknotes</a>.</p> <p><b>Watch videos:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">5 facts about the new €50 note</a> (Resource 3).</li> <li>• <a href="#">Discover the new €20 banknote</a> (Resource 4).</li> </ul>
<b>Activity</b> (Activities to reinforce the lesson)	<ul style="list-style-type: none"> <li>• Look up the word ‘seigniorage’ and explain it in your own words.</li> <li>• Explore the two series of euro banknotes. The first series consists of the €5, €10, €20, €50, €100, €200 and €500. The new <a href="#">Europa series</a> currently comprises the €5, €10, €20, €50, €100 and €200. The banknotes from both series are legal tender in the 19 countries of the euro area.</li> <li>• Look at some banknotes and ask the students to identify the security features and to compare them with those of the first/second series of banknotes (Resource 5).</li> <li>• Identify the different architectural styles that appear on the banknotes.</li> </ul>
<b>Evaluation</b> (Steps to evaluate the students’ understanding)	<ul style="list-style-type: none"> <li>• Discuss the different instruments the ECB uses to implement monetary policy, focusing on types of transaction, maturity and frequency.</li> </ul>
<b>Assignment</b> (Preparation for next lesson)	<ul style="list-style-type: none"> <li>• Search for news about the ECB and its monetary policy online. Are there many references to the President and other members of the Executive Board?</li> </ul>

### Resources:

1. Background information on the ECB website: [The Eurosystem’s instruments](#)
2. [Explainers](#) section of ECB website
3. ECB YouTube video: [5 facts about the new €50 note](#)
4. ECB YouTube video: [Discover the new €20 banknote](#)
5. Information on the [new euro banknotes](#) including security features on the ECB website





## The Quiz - Lesson 5

<b>Preparing for the quiz</b> <ul style="list-style-type: none"> <li>Learn about the decision-making bodies of the ECB.</li> <li>Understand the importance of independence and accountability.</li> </ul>	
<b>Objectives</b> (Skills/information that will be learned)	<ul style="list-style-type: none"> <li>Get to know the organisational structure of the ECB and its decision-making bodies, including the role of the Governing Council, the General Council and the Executive Board.</li> <li>Understand the importance of central bank independence and how this is ensured by the Treaty on the Functioning of the European Union.</li> <li>Understand the role of accountability and how it is ensured.</li> <li>Get an overview of the ECB's links with other EU and international bodies and institutions.</li> </ul>
<b>Information</b> (Provide the necessary information)	<ul style="list-style-type: none"> <li>Review the '<a href="#">Decision Making</a>' section of the ECB's website which outlines the structure, responsibilities and members of the decision-making bodies (<i>Resource 1</i>).</li> <li>Understand the frequency of <a href="#">Governing Council meetings</a> (<i>Resource 2</i>) and rotation of <a href="#">voting rights</a>. The full calendar is available on the ECB website (<i>Resource 3</i>).</li> <li>Read the explainer: <a href="#">How is the ECB accountable for its actions</a> (<i>Resource 4</i>) which provides information on the ECB's independence and how it fulfils its accountability requirements.</li> </ul>
<b>Activity</b> (Activities to reinforce the lesson)	Divide the class into small groups and ask them to: <ul style="list-style-type: none"> <li>Define independence in relation to the ECB.</li> <li>Explain in what way is the ECB independent? Why is it so important?</li> <li>Discuss what could happen if it were not independent?</li> <li>Define accountability in the context of the ECB. Why is it important?</li> </ul>
<b>Evaluation</b> (Steps to evaluate students' understanding)	<ul style="list-style-type: none"> <li>Class discussion about the questions that arose during the activity above.</li> </ul>
<b>Assignment</b> (Preparation for next lesson)	<ul style="list-style-type: none"> <li>Read Sections 1-3 of the document entitled "<a href="#">Factors determining price developments</a>" before the next lesson (<i>Resource 5</i>).</li> </ul>

### Resources:

- [Decision making structures](#) in the ECB.
- The [schedule](#) for the Governing Council meetings.
- [Frequently Asked Questions](#) on the rotation of voting rights in the Governing Council.
- Explainer: [How is the ECB accountable for its actions](#).
- The document entitled "[Factors determining price developments](#)" on the Generation Euro website.



## The Quiz - Lesson 6

<p><b>Preparing for the quiz and acquiring background information for the assignment</b></p> <ul style="list-style-type: none"> <li>• Become familiar with the fundamentals of macroeconomics and the role of monetary policy.</li> <li>• Understand aggregate demand and aggregate supply.</li> <li>• Develop an overview of the tools and concepts for analysing economic developments.</li> </ul>	
<p><b>Objectives</b> (Skills/information that will be learned)</p>	<ul style="list-style-type: none"> <li>• Understand the short-run dynamics of a change in the interest rate.</li> <li>• Define the role of a central bank in an economy, focusing on the long-run neutrality of money.</li> <li>• Define market equilibrium, in the short and long term.</li> <li>• See how a change in the interest rate influences aggregate demand and supply, as well as the price level, in the short term (the transmission mechanism).</li> <li>• Learn about other factors that can lead to a change in supply and demand.</li> </ul>
<p><b>Information</b> (Provide necessary information)</p>	<ul style="list-style-type: none"> <li>• Read "<a href="#">Factors determining price developments</a>" on the Generation Euro website (<i>Resource 1</i>).</li> </ul> <p><i>This explains that while a change in the interest rate triggers dynamic processes in the short term, monetary policy cannot cause permanent changes in real variables.</i></p> <p><i>In general, increased money supply will only lead to higher inflation as shown on the chart "Money and Inflation" (page 2).</i></p> <p><i>Monetary policy affects real interest rates through its control of the nominal interest rate and the fact that prices are "sticky" in the short run. The box on pages 3 to 5 provides detailed explanations and illustrations of this, and should be used to support the lesson.</i></p>
<p><b>Activity</b> (Activities to reinforce the lesson)</p>	<ul style="list-style-type: none"> <li>• Use a diagram to explain the effect of an increase in aggregate demand on output and price levels, both in the short and long run. Discuss factors that could cause such a shift. What can monetary policy do about this?</li> <li>• Use the chart entitled "<a href="#">Transmission mechanism of monetary policy</a>" (<i>Resource 2</i>) to identify the channels that have been affected by the crisis.</li> </ul>
<p><b>Evaluation</b> (Steps to evaluate students' understanding)</p>	<ul style="list-style-type: none"> <li>• Have a class discussion about the questions that arose during the activity above. <ul style="list-style-type: none"> <li>○ Discuss the effects of a shift in the long-run supply curve.</li> <li>○ What could be the cause of such a shift?</li> <li>○ What should monetary policy do about this?</li> </ul> </li> </ul>
<p><b>Assignment</b> (Preparation for next lesson)</p>	<ul style="list-style-type: none"> <li>• Read Sections 4 and 5 of the document entitled "<a href="#">Factors determining price developments</a>" (<i>Resource 1</i>) before the next lesson.</li> </ul>

### Resources:

1. Document entitled "[Factors determining price developments](#)" on the Generation Euro website
2. Chart entitled "[Transmission mechanism of monetary policy](#)", which also illustrates the main channels affected by the crisis





## The Quiz - Lesson 7

<p><b>Preparing for the quiz and acquiring background information for the assignment</b></p> <ul style="list-style-type: none"> <li>• Become familiar with the fundamentals of macroeconomics and the role of monetary policy, especially during the crisis (standard and non-standard measures).</li> <li>• Understand factors driving price developments, both short-term and long-term.</li> </ul>	
<p><b>Objectives</b> (Skills/information that will be learned)</p>	<ul style="list-style-type: none"> <li>• Understand the dynamics behind inflation and deflation.</li> <li>• Identify: <ul style="list-style-type: none"> <li>○ Examples of factors leading to changes in the price level or inflation, both from the demand and supply side.</li> <li>○ The role of inflation expectations.</li> <li>○ Short-run and long-run dynamics.</li> </ul> </li> <li>• Gain a brief overview of the ECB's <a href="#">non-standard monetary policy measures</a>.</li> </ul>
<p><b>Information</b> (Provide necessary information)</p>	<ul style="list-style-type: none"> <li>• Build on the knowledge acquired in the previous lessons, the focus should now be on price development dynamics; a further analysis of factors leading to price changes; and standard / non-standard monetary policy measures.</li> <li>• Explain "demand-pull inflation" and "cost-push inflation".</li> <li>• Elaborate on the role of inflation expectations. If people expect inflation in the future, their behaviour can cause a rise in inflation today.</li> <li>• Elaborate on the role of deflation expectations. If people expect deflation in the future, their behaviour can cause redundancies and bankruptcies.</li> <li>• Look at the quantity theory of money. Make the link to the ECB's reference value for monetary growth (covered in Lesson 3).</li> <li>• Become familiar with the <a href="#">non-standard monetary policy measures</a> introduced by the ECB (<i>Resource 5</i>).</li> </ul>
<p><b>Activity</b> (Activities to reinforce the lesson)</p>	<ul style="list-style-type: none"> <li>• Use the examples of shocks mentioned in the box on page 6 of Resource 1 "<a href="#">Factors determining price developments</a>" and make charts to illustrate the curve shifts and explain how they affect output and prices.</li> </ul>
<p><b>Evaluation</b> (Steps to evaluate students' understanding)</p>	<ul style="list-style-type: none"> <li>• Refer to the latest <a href="#">introductory statement</a> (<i>Resource 2</i>), identify one demand and one supply factor used to assess the risk to price stability.</li> <li>• Illustrate in a diagram (aggregate demand/aggregate supply) the effect on output and prices.</li> </ul>
<p><b>Assignment</b> (Preparation for next lesson)</p>	<ul style="list-style-type: none"> <li>• Finalise the evaluation task.</li> <li>• Prepare for the quiz which will take place in the next lesson.</li> </ul>

### Resources:

1. Document entitled "[Factors determining price developments](#)" on the Generation Euro website
2. The latest [introductory statement](#) (the one from Lesson 3 could be used again)
3. Textbooks on macroeconomics
4. [Webcast of latest ECB press conference](#) (with Q&A)
5. Economic Bulletin article: [The transmission of the ECB's recent non-standard monetary policy](#)







## The Quiz - Lesson 8

<p><b>Preparing for the quiz</b></p> <ul style="list-style-type: none"> <li>• Familiarise students with layout of the quiz and types of questions.</li> <li>• Complete the quiz.</li> </ul>	
<p><b>Activity</b> (Activities to reinforce the lesson)</p>	<ul style="list-style-type: none"> <li>• Complete the trial version of the quiz on <a href="http://www.generationeuro.ie">www.generationeuro.ie</a>.</li> <li>• Register team on the website in order to complete full quiz version.</li> </ul>
<p><b>Assignment</b> (Preparation for next lesson)</p>	<ul style="list-style-type: none"> <li>• Complete the quiz. (Students may have notes and other printed material to hand and answer the 30 questions.)</li> </ul>





## Round 2: The assignment

Out of all the teams which complete the quiz, at least 20 will go through to the next round (the assignment round) based on the highest scores and the fastest completion times. The teams invited to the next round will include at least one team per country participating in the Generation Euro Students' Award. They will be contacted by e-mail and invited to register for the next round.

For the written assignment, each team will be asked to

1. propose a monetary policy decision of the Governing Council; and
2. explain/illustrate their decision to a target group not familiar with central banking, e.g. fellow students or the general public.

Explanations should be based on their assessment of the key economic indicators available, economic and monetary conditions in the euro area, and the inflation outlook.

Using the knowledge gained in the previous lessons and with regard to both the objectives of the ECB and how the economy works, the students should look at the current economic environment and, based on their own assessment, decide on the level of the interest rate on the main refinancing operations and, if appropriate, on the non-standard monetary policy measures.

It is important that the students provide their own analysis and the reasons for their decisions. Students will have to prepare essays with compelling narratives and visuals. Originality will be rewarded. Copying and pasting of existing texts should be avoided.

More information can be found in the **teacher's booklet** and on the [Generation Euro website](#).

The following lesson plans provide some suggestions on how to structure this task, and the time allocated.

**As the assignment round is a much more flexible task, it should ultimately be left to the teams themselves to produce the end product.**





## The Assignment - Lesson 1

<p><b>Objectives</b> (The main goals for the lesson)</p>	<ul style="list-style-type: none"> <li>• Read the instructions in the briefing material for the assignment which you received via email.</li> <li>• Examine all the economic and monetary data provided on the <a href="#">Generation Euro website</a> and on the <a href="#">ECB website</a>.</li> <li>• Focus on recent developments in the main indicators.</li> </ul>
<p><b>Activity</b> (Tasks to be carried out)</p>	<ul style="list-style-type: none"> <li>• The students should explain their decision by referring to both economic and monetary indicators.</li> <li>• They should identify the most important indicators, which include:             <ul style="list-style-type: none"> <li>▪ output, demand and the labour market;</li> <li>▪ prices and costs;</li> <li>▪ fiscal policy;</li> <li>▪ the external environment;</li> <li>▪ monetary and financial developments;</li> <li>▪ financial market conditions.</li> </ul> </li> <li>• From this list of indicators, make some comments/observations in relation to developments in these data over the past year or so.</li> </ul>
<p><b>Remarks and suggestions</b></p>	<p>The information noted down and observations made during the activity could be presented in the form of a table for a better overview.</p> <p>See Appendix 1 for an example of this (this table is to be used in both this and the next lesson) (<i>Resource 1</i>).</p> <p>A couple of the <a href="#">latest introductory statements</a> could be used to see which indicators have received the most attention lately (<i>Resource 2</i>). <b>Please note that the students must think for themselves, perform additional research and look at other indicators.</b></p> <p>Both the tables and charts will help to provide a clearer picture of general economic developments. The <a href="#">latest Economic Bulletin</a> could also be used for an overview of recent trends, as illustrated in various charts and notes (<i>Resource 3</i>).</p>

### Resources:

1. Table in [Appendix 1](#)
2. Previous [introductory statements](#)
3. The ECB's latest [Economic Bulletin](#)





## The Assignment - Lesson 2

<p><b>Objectives</b> (The main goals for the lesson)</p>	<p>Evaluation of indicators:</p> <ul style="list-style-type: none"> <li>• Make an assessment of the likely effect of each indicator, based on the activity performed in the previous lesson relating to inflation and the inflation outlook.</li> </ul>
<p><b>Activity</b> (Tasks to be carried out)</p>	<ul style="list-style-type: none"> <li>• Assign a + or – sign to each indicator, indicating whether the development has recently contributed to pushing inflation up or to tempering it, with a forward-looking perspective.</li> <li>• The + and – signs should also be accompanied by some remarks on the importance of each indicator.</li> </ul>
<p><b>Remarks and suggestions</b></p>	<p>Assigning the + and – signs should be used as a starting point for the group's assessment of the economic conditions. As the signs are likely to be ambiguous, discussion among the students should be encouraged.</p> <p>The assignment will benefit from taking into account the fact that the timing of changes in an indicator, relative to how the economy in the euro area, as a whole, changes, varies across different economic indicators, i.e. some indicators are leading while others are lagging. This is an important consideration when assessing the inflation pressures and looking ahead.</p> <p>The main aspects of and conclusions drawn from this exercise should be noted down and used to prepare the assignment.</p>

### Resources:

1. Briefing material on monetary policy included in the **teacher's booklet** and on the website with links to the relevant data and the ECB's and the Eurosystem's macroeconomic projections
2. Previous [introductory statements](#)
3. The ECB's latest [Economic Bulletin](#)
4. Table in [Appendix 1](#)





### The Assignment - Lesson 3

<p><b>Objectives</b> (The main goals for the lesson)</p>	<ul style="list-style-type: none"> <li>• Assess the inflation outlook.</li> <li>• Use the list from the previous lesson on economic indicators and try to sum up the overall risks to price stability, looking ahead.</li> <li>• Cross-check against the monetary analysis for a longer-term outlook for inflation, drawing attention to the long-run link between money and prices.</li> </ul>
<p><b>Activity</b> (Tasks to be carried out)</p>	<p>From the last lesson, there will be a list of indicators with + and – signs assigned to them, either evenly or unevenly, depending on the assessment made.</p> <ul style="list-style-type: none"> <li>• Ask team members to look ahead and to come up with arguments for high inflation and low inflation. Students should use the assessments made in the previous lesson, but at the same time focus on conditions, in all the indicators, that strengthen their particular “case”. They should write their arguments down, for example in bullet points.</li> <li>• After this exercise, each student, regardless of which stance he/she was asked to take, should choose which of the two positions seemed the most convincing in his/her view.</li> </ul>
<p><b>Remarks and suggestions</b></p>	<p>This activity will be a key element of the assignment and the main considerations made and conclusions drawn from this stage of the task should be reflected in the assignment.</p> <p>It would benefit the analysis if the students were to take into account the impact of previous interest rate decisions, hence the interest rate level, on economic developments at the current juncture.</p>

**Resources:**

1. Briefing material on monetary policy included in the [teacher's booklet](#) and on the website with links to the relevant data and the ECB's and the Eurosystem's macroeconomic projections
2. Previous [introductory statements](#)
3. The ECB's latest [Economic Bulletin](#)
4. Table in [Appendix 1](#)



## The Assignment - Lessons 4-7

<p><b>Objectives</b> (The main goals for the lesson)</p>	<ul style="list-style-type: none"> <li>Propose a monetary policy decision of the Governing Council.</li> <li>Explain the decision to a target group not familiar with central banking, e.g. fellow students.</li> <li>Prepare the assignment.</li> </ul>
<p><b>Activity</b> (Tasks to be carried out)</p>	<ul style="list-style-type: none"> <li>Drawing on the analysis and assessments made in Lessons 2 and 3, the students should decide on an interest rate. This could be based on a consensus view or by counting votes.</li> <li>Write a paper outlining the interest rate decided and the basis for the interest rate decision.</li> </ul>
<p><b>Remarks and suggestions</b></p>	<p>Different approaches are possible for the assignment. The aim should be to involve the whole group. Here are two suggestions on how to organise this:</p> <ol style="list-style-type: none"> <li>Each student prepares an assignment, and the best one, or elements/paragraphs from the best ones, form the final assignment.</li> <li>Divide the assignment into different parts/sections covering, for example: <ul style="list-style-type: none"> <li>Economic analysis (real economy and prices) <ul style="list-style-type: none"> <li>Current developments</li> <li>Effect on inflation, looking ahead</li> </ul> </li> <li>Monetary analysis <ul style="list-style-type: none"> <li>Current developments</li> <li>Longer-term inflation outlook</li> </ul> </li> <li>Overall assessment</li> <li>Explanation of the decision</li> </ul> </li> </ol> <p>Assign these sections to different students and merge all the contributions.</p> <p>Previous introductory statements can be used to get an idea of which indicators should be included in the assignment. But bear in mind that the format of the assignment is open, meaning that the teams should decide how they are going to present their arguments.</p> <p><b>Please note that originality will be rewarded. Copying and pasting from existing documents should be avoided.</b></p> <p>The jury will assess the assignments on the basis of the:</p> <ul style="list-style-type: none"> <li>familiarity with, and accurate use of, expressions and terms related to monetary policy and non-standard monetary policy measures.</li> <li>creativity and students' own research.</li> </ul> <p>The assignment may be marked down if it exceeds 2,000 words.</p>

**Resources:**

- Notes and tables from previous lessons





## Round 3: The presentation

### Presentation skills

We suggest that teachers devote 4 lessons to prepare the students for the presentation round. The presentation should include an interest rate decision, the rationale behind it and should reflect the economic circumstances at the time, i.e. it should be a real-time decision. The students are encouraged to present their decision and the reasons for it by providing an economic and monetary analysis, and a cross-check (which are essential parts of the Introductory Statement to the press conferences, when the President explains the Governing Council's monetary policy decision following the Council's meeting). The presenters can choose the format, but it should include their assessment and the reasons for their decision.

Familiarity with, and accurate use of, expressions and terms related to monetary policy will be rewarded. In addition, the presentation must be well structured and clearly presented. It must not exceed 20 minutes. **All team members (except the teacher) should be equally involved in the presentation, as far as possible.** The teams should be creative and use PowerPoint to highlight all their considerations and the conclusions they have drawn from the economic and monetary analysis and the assessment of the economic and inflationary outlook.

In addition to the specific guidelines mentioned above, the students should bear in mind general presentation techniques when preparing for the presentation round.

For example:

1. Create slides/notes that are easy to read, using bullet points instead of full sentences.
2. Do not include too much text on any one slide. The font size should be easy to read from a distance.
3. Include images/graphs but do not make excessive use of animation, as this could take the focus away from what you are saying and could be inappropriate.
4. Be well prepared and work as a team – this will boost your confidence in front of an audience.
5. Practise out loud in front of your peers and try out various ways of expressing yourself in an articulate manner.
6. Deliver with passion, as this captures the attention of the audience. If your voice is expressive and your gestures are animated, you will come across as both confident and enthusiastic. Control the physical symptoms of stage fright and tension by breathing from your diaphragm, stay calm and channel your excitement towards enthusiasm for what you are about to present.
7. Practise what you want to say and avoid reading from a prepared text.
8. Take a small pause now and then to allow yourself and your audience a little time to reflect and think. Taking a sip of water can create a natural break.
9. Do not race through the presentation.
10. With regard to the question and answer session, try to pre-empt potential questions. Prepare by reviewing the question and answer part of recent press conferences and the most recent speeches by the ECB's President and Executive Board members. The question and answer part of the presentation will be as important as the actual presentation itself. **The jury will test the team's understanding and knowledge of monetary policy** and see how they justify their interest rate decision. Teams might also be asked about major events in the real world that may have affected the economy.
11. Confer with the other team members (except the teacher) before answering the question.
12. Paraphrase the questions before answering, if necessary. When answering the questions, look at all the members of the audience and not just the person who asked the question.



