

Academic Year: ( 2019 / 2020 )

Review date: 21-04-2020

Department assigned to the subject: Economics Department

Coordinating teacher: LOEPER , ANTOINE

Type: Compulsory ECTS Credits : 9.0

Year : 1 Semester : 2

**REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)**

Microeconomics I, Mathematics

**OBJECTIVES**

Basic competences:

To possess and understand the knowledge to be able to develop and apply ideas in an original way in a research context.

Students should be able to apply acquired knowledge and skills to solve problems to new environments.

Students should be able to integrate knowledge and face complex situations in which to formulate an educated opinion based on available information, that may be incomplete and limited. These opinions must include a reflexion on the social and ethical responsibilities of the application of the knowledge.

Students should be able to communicate their conclusions and knowledge, and the bases for them, to non specialized audiences.

Students should acquire the skills to keep learning in an autonomous way.

General competences:

Students should be able to analyze and summarize a scientific text.

Students should be able to interpret and write advanced texts on Economics and using the English language.

Students should be able to apply the advanced knowledge from the specific programs on Economics, Mathematics and Econometrics.

Students should be able to evaluate a scientific text.

Students should be able to write scientific texts and presentations.

Students should be able to identify the standard procedures in science and in particular in the economic science.

Students should be able to identify the added value of a contribution in Economics.

**DESCRIPTION OF CONTENTS: PROGRAMME****MICROECONOMICS II**

This course develops the appropriate analysis to study the interactions among rational individuals in a non-cooperative, strategic context.

1 - Risk and uncertainty: preferences under uncertainty, expected utility theory, attitudes towards risk, risk premium, certainty equivalent, the value of information, state dependent utilities.

2 - Market failure: bilateral and multilateral externalities, solutions to externalities (taxes, property rights, emissions markets, Coase theorem); public goods, voluntary contribution and other provision mechanisms.

3 - Game Theory: static and dynamic games, normal and extensive form games, the Nash equilibrium, subgame perfect equilibrium, repeated games.

4 - Imperfect competition: market power, monopoly pricing, static models for oligopoly, repeated interaction, entry.

## LEARNING ACTIVITIES AND METHODOLOGY

Formative activities:

Theoretical class  
Practical class  
Individual work (homework)  
Introduction to work with bibliographical sources  
Tutoring

Teaching methodology:

Teacher's exposition in class. In this class the professor develops the main concepts and provides the bibliography for the students to complement their learning.  
Resolution of practical cases, problems, etc. given by the professor.  
Exposition and discussion in class of the course material and the practical cases and problems.

## ASSESSMENT SYSTEM

Final exam: 60%  
Continuous evaluation: one midterm exam (35%), and individual homework during the course (5%)

<b>% end-of-term-examination:</b>	60
<b>% of continuous assessment (assignments, laboratory, practicals...):</b>	40

## BASIC BIBLIOGRAPHY

- Andrew Mas-Colell, Michael D. Whinston, Jerry R.Green Microeconomic Theory, Oxford University Press, 1995
- Steve Tadelis Game Theory: An Introduction, Princeton University Press, 2013

## ADDITIONAL BIBLIOGRAPHY

- Drew Feudenberg and Jean Tirole Game Theory, The MIT Press, 1991
- Roger Myerson Game Theory. Analysis of Conflict, Harvard University Press, 1991
- Steve Tadelis Game theory: an introduction, Princeton University Press, 2013