

Master Course Program Spring Semester 2013

If you want to join an elective course please send your **registration by e-mail** to econgrad@uni-mannheim.de **no later than February 1st**.

Information for exchange students, MMM students and Business Mathematics students: Please note that you can choose freely from our elective courses as long as you fulfill the prerequisites mentioned there. (In case of doubt, please contact the lecturers for more information about the prerequisites and to discuss if you fulfill them.) **Core courses are not open** for exchange students and students from other programs.

Elective Courses

E502 CANCELLED: Demography and Region (lecture)

This course has been cancelled and replaced by course E565 (see below).

E504 International Trade and Tax Policy Analysis (lecture + exercise)

Janeba

This course deals with trade and public policies in open economies with a focus on recent policy debates. At the same time we provide foundations for policy analysis by studying theoretical models. A tentative list of topics and questions is as follows:

1. How does trade affect wages and unemployment?
2. Is free trade good for the environment?
3. How do firms respond to trade liberalization?
4. Does trade integration increase or decrease tax competition?
5. Who lobbies for trade protection?
6. Does international trade erode culture?
7. Is international tax competition welfare improving?
8. Does globalization shrink the welfare state?

Prerequisites: for Economics students: E700, E701, E702, E703 or equivalent; for MMM and Business Mathematics students: Business Economics I and II or equivalent

ECTS credits: 7.0

Monday (lecture; weekly), 08:30 to 10:00 in L 7, 3-5 - P 043

Thursday (exercise; every fortnight), 10:15 to 11:45 in L 7, 3-5 - P 043

Exercise starts on 21.02.2013

E505 Industrial Organization: Markets and Strategies (lecture + exercise)

Peitz

This course covers strategic planning problems. It provides an overview of modern industrial organization with an emphasis of the theory and formal models. Models are adapted to tackle concrete problems. Students are provided with a toolkit and are encouraged to think strategically. This course covers the fundamentals of the theory of industrial organization. These are complemented by case studies and background knowledge of competition policy. Essential reading: Paul Belleflamme and Martin Peitz (2010), *Industrial Organization: Markets and Strategies*, Cambridge University Press

Prerequisites: E700, E701, E702, E703 or equivalent (this course is only suitable for Economics students)

ECTS credits: 14.0

Monday (lecture), 13:45 to 17:45 in L7,3-5 - P 043
Thursday (exercise), 19:00 to 20:30 in L7,3-5 - P 044

E506 Human Capital Formation (seminar)

Pfeiffer

In the seminar education and human capital formation will be discussed from a theoretical and empirical point of view. We will study initial life conditions, the role of investments by the individual, the family and educational institutions and their expected returns. Especially optimal investments into human capital over the life cycle are examined together with the role of families and educational institutions in financing and producing skills. The intentions, structure and limitations of important empirical studies in the field, like SOEP, PISA or NEPS will be investigated. Issues in educational policy and educational reforms shall be analyzed. Expected Competences acquired after completion of the module: Ability to write, present and defend an academic essay.

Prerequisites: for Economics students: E700, E701, E702, E703 or equivalent and interest in research on the economics and econometrics of education and human capital formation; for MMM and Business Mathematics students: good knowledge in microeconomics and basic econometrics, interest in research on the economics and econometrics of education and human capital formation

ECTS credits: 5.0

Wednesday, 15:30 to 17:00 in ZEW room 310

Contact person: Friedhelm Pfeiffer, Phone 0621 1235-150, Email: pfeiffer@zew.de

In case you would like to participate in the seminar, please contact me via email. In response I will send you a list of seminar topics and further application procedures.

E520 Seminar in Empirical Industrial Organization (seminar)

Nosal

This seminar covers recent empirical papers in Industrial Organization. Papers will relate to the theme of the Industrial Organization of healthcare markets. Each student will present a paper to the class and write a report critiquing the paper. Emphasis will be on identifying the central questions addresses in the paper, evaluating the methodology and data used, and making suggestions for improvements and extensions.

Expected Competences acquired after completion of the module: In this seminar, students learn to read, present, and critically evaluate a recent research article at the frontier of economic research. They learn to put a research paper in the context of the literature and discuss the robustness of results obtained with respect to assumptions and explore possible extensions. They are supposed to learn to identify research questions from this exercise.

Prerequisites: E700, E701, E702, E703 or equivalent (the course is only suitable for Economics students)

ECTS credits: 5.0

Organizational Meeting: Friday, 22.02.2013, 15:30 to 17:00 in L 9, 1-2 - 002

Block seminar: Friday, 17.05.2013, 09:00 to 18:00 in L 9, 1-2 - 002

Block seminar: Saturday, 18.05.2013, 09:00 to 18:00 in L9, 1-2 003

E529 Topics in Experimental Industrial Organisation (seminar)

Orzen

Course description:

Specific goals of the module are to engender thinking about economics as an empirical science and what that entails, to provide a foundation knowledge relating to the design and implementation of appropriate experimental tests of economic theory in the context of industrial organization, to introduce students to a varied set of research papers that employ experimental techniques to study competition and to engender presentation and communications skills. The module covers a range of topics, including methodological questions, experiments on different trading institutions, price and quantity competition, market power and other aspects relating to industrial organization.

Expected Competences acquired after completion of the module:

Students have a broad knowledge of how experimental methods can be used to study a core area of economics. They know basic approaches and concepts in experimental economics and are aware that a wide range of questions is being investigated in the experimental IO literature. They understand relevant theory- and model-based analytical methods. They are able to discuss advantages and drawbacks of experimental methods. They have the capacity to critically evaluate the quality of the methods used in particular research papers. They improve their ability to communicate effectively and clearly in written and oral formats.

Prerequisites: E700, E701, E702, E703 or equivalent. For Business Mathematics and MMM students: Business Economics II (or equivalent)

ECTS credits: 5.0

Organizational Meeting: Wednesday, 13.02.2013, 17:15 to 18:45 in L9, 1-2 002

Dates of block seminar tba.

E530 Topics in Industrial Organization (seminar)

Schutz/Nocke

Course description:

The seminar will cover selected topics on vertical integration and the boundaries of the firm. A reading list will be communicated at a later stage.

Expected Competences:

Students should not mindlessly memorize the theories presented in this course, but rather understand where the models come from, and why they have been developed. They should also understand the limitations of these theories, and how these limitations can be overcome. The focus on modelbuilding, and not on mindless memorization, should enable students to deepen their knowledge if they ever need to do so. In particular, students should be able to teach themselves new theories which are not presented in this course, or to build their own models when the existing literature cannot be applied.

Prerequisites: for Economics students: E700, E701, E702, E703 or equivalent; for MMM students: none (not suitable for Business Mathematics students)

ECTS credits: 5.0

Monday, 11.02.2013, 18:00 to 19:30 in L 9, 1-2 - 003

Friday, 10.05.2013, 09:00 to 18:00 in L 9, 1-2 - 002

Saturday, 11.05.2013, 09:00 to 18:00 in L 9, 1-2 - 002

E533 Auction Theory (lecture + exercise)

Tröger

The goals are (i) to provide an understanding of the incentives involved in strategic bidding in auction mechanisms, and of the properties of equilibria, (ii) to show how various auction mechanisms are useful in public procurement, regulatory market design, retailing, art sales, and many other contexts, and (iii) to teach the principles of optimal auction design. Summary of course description: I. Introduction: Why rules matter in markets with private information. II. The independent-private-values model. III. The first-price auction. IV. Asymmetries and Pareto inefficiency. V. The second-price and English auctions. VI. Revenue comparison of standard auctions. VII. Revenue comparison with risk-averse bidders. VIII. The revenue equivalence theorem. IX. Optimal-auction design. X. The winner's curse. Included are several

experiments in which auctions are played in class. Recommended textbook: Krishna, Vijay, "Auction Theory", Academic Press.

Prerequisites: for Economics students: E700, E701, E702, E703 or equivalent; for Business Mathematics students: Game Theory (not suitable for MMM students)

ECTS credits: 7.0

Monday, 10:15 to 11:45 in L9,1-2 - 002

Wednesday (exercise), 12:00 to 12:45 in L9, 1-2 - 009 (13.2.), L9, 7 - 308 (20.2.)

Wednesday (exercise), 12:00 to 12:45 in L9, 1-2 - 002 (27.2.-31.5.)

E546 Cross-Country and Time-Series Growth Comparisons (seminar)

Lee

Course description:

Traditional explanations for economic growth were primarily based on physical capital accumulation and population growth. More recently, economists have focused on human capital accumulation, government intervention, technological innovation, institutions, financial development, etc. In this seminar, students are asked to find their own explanations for economic growth. You will present empirical evidence, either within a single country over time (time-series) or a cross-country comparison, or both (a panel), to demonstrate that your explanation of choice indeed matters for growth, or vice versa - that growth matters for some other (important) economic variable. A negative result is also acceptable - for example, it may be the case that some factor was believed to be important, but you find that the data says otherwise.

Whether your analysis is positive or negative, your motivation and analysis of your results must be backed by careful reasoning of why it should (not) matter, either through a theoretical argument or additional empirical evidence. In some cases, it may just turn out that something was not verifiable due to a lack of data - in those cases, you should explain what kind of data will be able to corroborate your study.

The course is meant to be a mutual learning opportunity not only among your peers, but also with me, where I will advise you on the methods and your thought process, but will also learn from the details of your project (I am not well professed in the entire field of growth!). A self-contained term paper covering the presented material and comments from the instructor/peers is required for final evaluation.

Expected Competence: analyze data and real world phenomena critically; academic presentation

Prerequisites: for Economics students: E700, E701, E702, E703 or equivalent; for MMM and Business Mathematics students: good foundations in macroeconomics and statistics

ECTS credits: 5.0

Introductory meeting: Tuesday, 19.02.2013, 17:00 to 18:30 in L7, 3-5 P043

Block seminar: Friday/Saturday, 03./04.05.2013, 09:00 to 18:00 in L7, 3-5 P044

E551 Experimental Methods in Economics (seminar)

Engelmann

Course description:

The students read and discuss key articles in the field of experimental economics, in particular those dealing with experimental methodology. The goal is to critically evaluate standard methods, but also to question critical papers and to carefully evaluate the critique. This will enable the students to learn the crucial skills to independently develop experimental designs, while being aware of the limitations of the experimental method. These skills will then be applied to an experimental project.

Expected Competences:

The students have learned about crucial methodological questions and problems of the experimental approach to economics. They have engaged with different points of view and can evaluate these. The students can develop experimental designs in order to test economic theories and know how to implement fundamental principles of experimental design. They can independently conduct, analyze and interpret the experiments. They have developed communication skills through the scientific discussion as well as through conducting the experiments. Furthermore, the students have gathered practical experience in scientific research and strengthened their command of English.

Prerequisites: for Economics students: E700, E701, E702, E703 or equivalent; for MMM students: Business Economics I and II; for Business Mathematics students: tba

ECTS credits: 6.0

Tuesday (lecture), 10:15 to 11:45 in L 9, 1-2 - 002

Course schedule: weekly seminar (see above) and block seminar (date & times tba)

E553 Development Economics: Experimental approaches (lecture + exercise)

Kemper/Landmann

Development economics deals with economic aspects of the development process in low-income countries. After an examination of the long-run factors of economic development, this lecture focuses on interventions intended to promote economic growth and welfare of the population in developing countries, for example, through interventions in microfinance (credit, savings and insurance), health and education.

In particular, it accumulates evidence to answer the following questions: Do these interventions really improve the living conditions of the poor? Which interventions do work? And which do not?

Methodologically, this lecture comprises of econometric methods used for program evaluation. These methods identify causal relationships between interventions and their intended outcomes (e.g. using randomized control trials, instrumental variables, regression discontinuity). The practical exercises include hands-on empirical work with STATA. In terms of learning outcomes for students, the lecture pursues the following goals:

- Introduce students to state-of-the-art research in Development Economics.
- Enable students to do own empirical research work employing the econometric methods dealt with in this course.
- Enable students to make critical assessments of research work.

Please find the detailed syllabus at <http://froelich.vwl.uni-mannheim.de/1339.0.html>.

Readings:

The following textbooks and book chapters will be covered in parts.

- Angrist, J. and J.-S. Pischke (2009) *Mostly Harmless Econometrics: An Empiricist's Companion*, Princeton and Oxford: Princeton University Press. [AP]
- Armendariz, B. and J. Morduch (2007) *The Economics of Microfinance*, Cambridge (MA) and London: MIT Press. [AM]
- Deaton, A. (1997) *The Analysis of Household Surveys: A Microeconometric Approach to Development Policy*, Baltimore: John Hopkins University Press. [D]
- Duflo, E., Glennerster, R. and M. Kremer (2008) "Using Randomization in Development Economics Research: A Toolkit," in P. Schultz and J. Strauss (Eds.) *Handbook of Development Economics*, Vol. 4, Amsterdam: North-Holland. [DGK]

Contact persons: Dr. Niels Kemper, Tel. 181-1805, E-mail: niels.kemper@uni-mannheim.de, L7, 3 - 5, room 101; Andreas Landmann, Tel. 181-1842, E-mail: andreas.landmann@uni-mannheim.de, L7, 3 - 5, room 103

Office hours: By appointment (please contact us by email).

Prerequisites: for Economics students: E700, E701, E702, E703 or equivalent; for MMM students: CC502 Applied Econometrics; for Business Mathematics students: good foundations in econometrics

ECTS credits: 7.0

Introductory Session: Monday, 11.02.2013, 15:15 to 16:15 in L9, 1-2 -003
 Friday (every fortnight, 15.02.-01.03.2013), 09:00 to 18:00 in L7, 3-5 P043
 Friday (every 4 weeks, 22.03.-17.05.2013), 09:00 to 18:00 in L7, 3-5 P043

Information about the course schedule: The lecture will be split into 5 blocs à 4 sessions (lectures and practical exercises) respectively taking place in calendar weeks 7, 9, 12, 16 and 20. The introductory lecture will take place on February 11th, 3:15 PM. A Q&A session will take place before the exam.

E561 Fiscal Policy (seminar)

Born

Since the beginning of the global financial crisis, we have seen large swings in the fiscal policy stance. At first, countries countered the recessionary impact of the crisis by embarking on a massive fiscal expansion. With public debt spiraling, the focus has now shifted towards fiscal austerity. These developments have triggered heated debates among academics and policymakers, bringing fiscal policy back to the center of the economics research agenda. In

this seminar, we will discuss research papers at the frontier of this debate. Topics include the correct identification of government spending and tax shocks, how to design a fiscal consolidation program, the role of the zero lower bound for interest rates, how the effects of fiscal policy are different in a currency union or in a deep recession, and the spillover effects from one country to another. Participants can either pick a topic from the list on my website or propose their own topics. More details will be given in the kick-off meeting. Please find the detailed syllabus at <https://sites.google.com/site/bornecon/home>.

Prerequisites: for Economics students: E700, E701, E702, E703 or equivalent; for MMM and Business Mathematics students: good foundations in macroeconomics and econometrics

ECTS credits: 5.0

Wednesday, 13.02.2013 (Introductory Session), 12:00 to 13:30 in L9, 1-2 002
Block seminar: Friday/Saturday, 12./13.04.2013, 09:00 to 18:00 in L9, 1-2 002

E562 Monetary and Fiscal Policy: Theory and Practice (lecture + exercise)

Winschel

The goal is to provide an introduction to the analysis of monetary and fiscal policy and learn how different policy recommendations can be evaluated using these models. Students should acquire the ability to evaluate current policy issues and to give a policy recommendation.

Prerequisites: for Economics students: E700, E701, E702, E703 or equivalent; for MMM and Business Mathematics students: graduate level introductory course in macroeconomics

ECTS credits: 9.0

Tuesday, 13:45 to 15:15 in L9, 1-2 002
Wednesday, 13:45 to 15:15 in L9, 1-2 002

E563 Game Theory (lecture + exercise)

Siedlarek/Nocke

This course provides a thorough treatment of game theoretic tools used to analyse strategic interactions. We will cover the key components of game theory and solution concepts in static and dynamic games as well as games of perfect and imperfect information. The course discusses models in various areas of application, including bargaining, industrial organisation.

Prerequisites: for Economics students: E700, E701, E702, E703 or equivalent; Business Mathematics students: none (not suitable for MMM students)

ECTS credits: 7.0

Wednesday, 09:15 to 11:45 in L9, 1-2 009

E564 Impact evaluation, treatment effects, causal analysis (lecture)

Wiesenfarth

In this course, recent developments in nonparametric impact evaluation are examined, covering the topics: selection on observables, matching, dynamic treatment evaluation, nonparametric IV, difference-in-difference, quantile regression, nonparametric regression, semiparametric regression.

Prerequisites: For Economics students: E700-E703 or equivalent; For Business Mathematics students: advanced knowledge of econometrics (not suitable for MMM students)

ECTS credits: 5.0

Thursday, 12:00 to 13:30 in L7, 3-5 - P 043

E565 Demography and Region (seminar)

Gans

The seminar consists of an introductory lecture (26 April) and a seminar block where students present their topics (date to be coordinated with participants).

The lecture on 26 April is designed to be an introduction to the analysis of international migration processes with regard to Germany since 1945. Second, challenges of migration in receiving areas are debated at different spatial levels in widely differing terms, which leads to different context-related paradigms and strategies to cope with the social (political, economic) and spatial consequences of international migration. Therefore the integration discourse appears multi-layered, undecided and often contradictory. Third, since the 1970s Germany's population is increasing if the balance of in- and out-migration exceeds the negative balance of natural population development. Even on the national level the in- and outflows are rather fluctuating and can be considered more volatile on regional level it. Therefore, there is a high demand for regional population forecasts and corresponding techniques.

According to these three topics the lecture is organized in three presentations:

- Economic, political and social context of immigration to Germany since 1945 – Paul Gans
April 26th, 8.30 – 10.00
- Challenges of the 21st century: Transculturality – transethnicity – transnationality –
Christina West, 10.15 – 11.45
- Regional population forecasting – Philipp Deschermeier, 13.45 – 15.15
- Organizational questions – Paul Gans, 15.30 – 16.30

At the end of the lecture session, students choose a topic for their term paper which they present during the second seminar block (date to be coordinated with participants).

Prerequisites: E700, E701, E702, E703 or equivalent (this course is only suitable for Economics students)

ECTS credits: 5.0

Introductory lecture: Friday, 26 April, 08:30 to 16:30 in L7,3-5 - P 043

Block seminar: tba in tba