Applied Microeconomics 2

Module Code: ECO00067M  Credits: 10  Term: 2
Contact Hours: 14 Lectures, 4 hours of Seminars & Problem Solving Classes (18 contact hours)
Module Organiser: Dr. Dominic Spengler

Overview:
This module is designed to provide an introduction to elements of game theory which are applicable to a range of decision-making and policy problems in public and private sectors. The course presents both analytical material and examples of the application of analysis to a range of policy and decision making issues.

Aims:
- to offer insights obtainable from game theoretical models;
- to provide an understanding of the methodological and empirical issues involved in the application of such models;
- to interpret the results of such applications in decision-making contexts;
- to provide a bridge between game theory and real world decision-making and policy problems;
- to provide the underlying theory and analysis for other courses to build upon. Thus optional courses such as Applied Microeconometrics and Finance and Investment, represent opportunities to consolidate and extend on material covered in this course.

Objectives:

On completing the module a student will be able to:
- understand basic applied game theory with applications;
- understand basic incentive theory with applications;
- understand techniques involved in applications of the above theories.

Assessment:

There will be a two-hour unseen examination scheduled for the Summer Term. The examination comprises typically two questions from a choice of four questions.

Pre-requisites:

None.
Main References:

No single textbook exists which covers all material at the level presented. Together, the following text books cover all components of the module on various levels of technical rigour.

This is a standard undergraduate Micro textbook suitable for students without a strong economics background.

This book provides an excellent and gentle introduction to graduate-level, applied game theory.

This is a more complete and more formal presentation of the required topics than contained in the above books. It is recommended for students with a good economics background who are happy to pursue the subject on an advanced, modern level.

This text provides a complete, graduate-level discussion of the topics on information economics.