

COURSE CATALOGUE

MASTER – M.Sc. IN ECONOMICS PO 2013

Please note that the optional courses have been provided in the past terms. There is no guarantee that they will be offered again. Please refer to the actual information on our master homepage:

<http://www.en.master.vwl.uni-muenchen.de/courses/index.html>

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Compulsory Modules (CM)

Mathematics for Economists	
Professor/Lecturer	Englmaier, Florian
Course type	Lecture and Tutorial
Compulsory/Optional	Compulsory
Hours/week	2+2
Exam	Written exam (120 minutes)
Cycle	Winter term
ECTS-Points	6
Language	English
Prerequisites	„Abiturwissen“ mathematics; basic knowledge of linear algebra and multivariable calculus; being open for a rigorous approach - theorems stated carefully and some proofs given
Syllabus/Course outline	
<ol style="list-style-type: none"> 1. Introduction 2. Methods of Proof 3. Matrix Algebra 4. Functions 5. Integration 6. Optimization 7. Basics in Probability Theory 8. Basic Stochastic Processes 9. Basics in Dynamic Programming 10. More Advanced Material in Topology 	
Literature	
<p>Most of the material is covered in any good math for econ book. We will mostly be using the ones below. Most of the relevant core material is covered in the Jehle/Reny appendix.</p> <p>de la Fuente. Mathematical Methods and Models for Economists. Cambridge University Press (2000)</p> <p>M. Hoy, J. Livernois, C.J. McKenna, R. Rees, and T. Stengos. Mathematics for Economics. MIT Press. 2nd edition (2001)</p> <p>G. Jehle and P.J. Reny. Advanced Microeconomic Theory. Addison Wesley. 2nd edition (2000)</p> <p>Mas-Colell, M.D. Whinston, and J.R. Green. Microeconomic Theory. Oxford University Press (1995)</p> <p>C.P. Simon and L.E. Blume. Mathematics for Economists. W. W. Norton & Company (1994)</p> <p>K. Wainwright and A. Chiang. Fundamental Methods of Mathematical Economics. McGraw-Hill/Irwin. 4th edition (2004)</p>	

Microeconomics

Professor/Lecturer	Schmidt, Klaus
Course type	Lecture and Tutorial
Compulsory/Optional	Compulsory
Hours/week	2+2
Exam	Written exam (120 minutes)
Cycle	Winter term
ECTS-Points	6
Language	English
Prerequisites	Undergraduate microeconomics

Syllabus/Course Outline

This course introduces graduate students to some of the most important and most commonly used microeconomic methods. The first half of the course offers an introduction to neoclassical decision theory and game theory (strategic decision making). The second part of the course focuses on models of imperfect competition and information economics. We discuss models of monopoly pricing, oligopolistic competition, and information asymmetries in markets including auctions, adverse selection, screening and moral hazard. Furthermore, basic models of optimal contracting under informational asymmetries are introduced.

1. Decision Theory - Individual decisions under certainty and under uncertainty
2. Game Theory - Strategic interaction of individual decision makers
3. Market Power - Strategic interaction on oligopolistic markets
4. Markets with Asymmetric Information - Adverse Selection, signaling and screening

Literature

All participants have to work with this book. Additional references were given in the lecture.

Mas-Colell, M.D. Whinston, and J.R. Green. Microeconomic Theory. Oxford University Press (1995)

Macroeconomics

Professor/Lecturer	Sunde, Uwe
Course type	Lecture and Tutorial
Compulsory/Optional	Compulsory
Hours/week	2+2
Exam	Written exam (120 minutes)
Cycle	Winter term
ECTS-Points	6
Language	English
Prerequisites	Basic Knowledge in Macro, Micro and Mathematical Methods (Calculus)

Syllabus/Course Outline

This course offers an introduction to modern macroeconomics. The course is intended to make students familiar with methods and models used in contemporary research in macroeconomics. The course focuses on substance in different areas of macroeconomics, in particular in models of economic growth and fluctuations. The course is also devoted to provide an introduction in methodological aspects. In particular, the course covers the basic concepts used in dynamic models of intertemporal choice.

The course covers the following topics:

1. Economic Growth

- Motivation and Recap of Methods (Differential Equations, Taylor Series)
- Solow Recap More Methods: Dynamic Optimization
- Ramsey Model
- Extensions of the Neoclassical Growth Model
- Endogenous Growth

2. Overlapping Generations (OLG) Models

3. Economic Fluctuations

- Basics
- Real Business Cycles
- Some Methods: Log-Linearization
- Solution,
- Calibration and Simulation
- New-Keynesian Models and Monetary Policy

Literature

Main Reference:

D. Romer: Advanced Macroeconomics, 4rd edition, McGraw Hill, 2011

Additional references:

D. Acemoglu: Introduction to Modern Economic Growth, Princeton University Press, 2011

J. Gali, Monetary Policy, Inflation and the Business Cycle, an Introduction to the New Keynesian Framework, Princeton University Press, 2008.

Additional references and research articles were given in the course.

Econometrics

Professor/Lecturer	Winter, Joachim / Wuppermann, Amelie
Course type	Lecture and Tutorial
Compulsory/Optional	Compulsory
Hours/week	2+2
Exam	Written exam (120 minutes)
Cycle	Winter term
ECTS-Points	6
Language	English
Prerequisites	<i>Empirische Ökonomie für Fortgeschrittene</i> or an equivalent course in econometrics; basic knowledge of matrix algebra and probability theory.

Syllabus/Course Outline

This course introduces graduate students to econometric methods for the analysis of cross-sectional and panel data. The course presents commonly used inference methods for linear and nonlinear specifications, including linear and nonlinear regression models, maximum likelihood estimation, instrumental variables estimation, generalized method-of-moments estimation, and estimation methods for models with qualitative and limited dependent variables. In the accompanying exercise sessions, participants practice the application of these methods to real-world problems, using the econometrics package STATA.

The course covers the following topics:

1. The linear model and OLS estimation
2. Instrumental variables
3. Linear models for panel data
4. Treatment effects
5. M estimators

Literature

Core text:

Jeffrey M. Wooldridge, *Econometric Analysis of Cross Section and Panel Data*, 2nd Edition, Cambridge, MA: MIT Press, 2010

Additional references were given in the lecture.

Public Economics

Professor/Lecturer	Meier, Volker / Haufler, Andreas
Course type	Lecture and Tutorial
Compulsory/Optional	Compulsory
Hours/week	2+2
Exam	Written exam (120 minutes)
Cycle	Winter term
ECTS-Points	6
Language	English
Prerequisites	Undergraduate Level Economics

Syllabus/Course Outline

The course gives an introduction to advanced level public economics, covering both the expenditure and the revenue side of the government budget. The first half of the term is devoted to the welfare state, with a particular focus on the pension and unemployment insurance branches of social security systems. The second half of the course will turn to the efficiency and redistributive effects of modern tax systems. Core topics are optimal commodity and income taxation, the effects of taxes on risk-taking, and tax evasion.

I. Expenditures and the welfare state

1. Justification of Redistribution
2. Justification of Social Insurance
3. Public Pensions
4. Family policy
5. Unemployment insurance

II. Tax system: efficiency and redistribution

6. Overview: Tax systems in the OECD
7. Optimal commodity taxation
8. Optimal income taxation
9. Taxation and risk-taking
10. Tax evasion

Literature

Myles, Gareth (1995). Public Economics. Cambridge University Press.
Rosner, Peter G. (2003). The Economics of Social Policy. Edward Elgar: Cheltenham and Northampton, MA.
Further references were given in the lecture.

Revision Tutorials

Professor/Lecturer	N.N.
Course type	Tutorial
Compulsory/Optional	Revision tutorials for the compulsory modules "Mathematics for Economists", "Microeconomics", "Macroeconomics", "Econometrics" and "Public Economics"
Hours/week	2
Exam	Written exam (120 minutes)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Lecture & Tutorial of the respective module as held in the winter term
Syllabus/Course outline	
The revision tutorials support students to retake the respective exam.	
Literature	
See respective module (winter term)	

Optional Modules (OM)

To maximize flexibility for students in choosing any given course all of them are eligible for every module, as there are:

- Studies in Economic Theory (12 ECTS)
- Topics in Economic Theory A (6 ECTS)
- Topics in Economic Theory B (6 ECTS)
- Studies in Economic Analysis and Empirical Economics (12 ECTS)
- Topics in Economic Analysis and Empirical Economics A (6 ECTS)
- Topics in Economic Analysis and Empirical Economics B (6 ECTS)
- Studies in Public Economics (12 ECTS)
- Topics in Public Economics A (6 ECTS)
- Topics in Public Economics B (6 ECTS)

Hence students just have to decide which OM-course they want to attend, modules as regulated by the examination regulations will be filled with any given course.

Specialization:

In the 2nd and 3rd semesters, students freely choose courses from a wide selection of modules. They have the possibility to specialize and/or opt for research-oriented courses. We offer the following fields of specialization:

- Microeconomics and Strategic Interaction
- Applied Econometrics
- Public Sector Economics
- Macro and International Economics

In order to acquire a certificate of specialization, students must obtain at least 24 ECTS from courses within the specific field and write their Master thesis in the same field. In addition to the certification for studies in a special field, students can acquire a certificate for obtaining 18 ECTS in research-orientated courses. Opting for research-oriented courses will especially be the choice for those students who plan to continue their studies in a PhD-program. While you may combine a field of specialization with a research specialization you may not combine two fields – you will have to decide with the field of your Master thesis at the latest which specialization your certificate is issued.

Please see the “Guideline M Sc. in Economics 2013” for more information about the combination of OM-courses.

Advanced Microeconomics: Decision Theory

Professor/Lecturer	Englmaier, Florian
Course type	Lecture and Tutorial
Specialization	Microeconomics and Strategic Interaction; Research
Compulsory/Optional	Optional
Hours/week	2+2
Exam	Written exam (120 minutes)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Microeconomics

Syllabus/Course Outline

1. Classical Demand and Production Theory
 - individual decisions under certainty
2. Decisions under Uncertainty
 - Expected Utility Theory
 - Risk aversion, Measures of risk
 - Subjective Probabilities
 - Deviations from the Expected Utility Hypothesis
3. Information Economics
 - (a bit of) markets with adverse selection
 - (some more) bilateral contracting situations with moral hazard
4. Partial and General Equilibrium
 - competitive equilibrium
 - Pareto optimality
 - two fundamental theorems of welfare
 - some other properties of competitive equilibria and welfare economics
 - the theory of social choice
5. (causes and consequences of) Market Failure
6. Auctions and Mechanism Design

Literature

G. Jehle and P.J. Reny. Advanced Microeconomic Theory. Prentice Hall. 3rd edition (2011)
Mas-Colell, A., M. Whinston und J. Green: Microeconomic Theory, Oxford: Oxford University Press 1995

Advanced Microeconomics: Contract Theory

Professor/Lecturer	Schmidt, Klaus
Course type	Lecture with Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction; Research
Hours/week	2+2
Exam	Written exam (120 minutes)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Good knowledge of Microeconomics and Game Theory

Syllabus/Course Outline

The lecture will give a solid introduction into the main methods and some applications of contract theory in order to provide graduate students with a thorough understanding of the tools of contract theory and to enable them to use these tools in their own research.

1. Introduction
2. Static Moral Hazard
3. Dynamic Moral Hazard
4. Adverse Selection Models
5. Mechanism Design
6. Relational Contracts and Career Concerns
7. Incomplete Contracts
8. Behavioral Contract Theory

Literature

Was given in the course

Advanced Macroeconomics

Professor/Lecturer	Sunde, Uwe
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics; Research
Hours/week	2+2
Exam	Written exam (120 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Good knowledge in Macroeconomics, Microeconomics and Mathematical Methods (calculus)

Syllabus/Course Outline

Macroeconomics has two goals: It (should) develop theories to describe/understand the evolution of important aggregate variables such as consumption, output, investment, employment, as well as prices such as interest rates and wages. It should judge policy measures in a normative way based on the relevant macroeconomic theories. In its methods, modern macroeconomics is based on the concept of dynamic, stochastic, general equilibrium models.

1. Topics in Growth Theory
 - Growth Empirics
 - Unified Growth Theory and Long-Run Development
2. Theories of Consumption
 - Permanent Income and Lifecycle Consumption
 - Risk, Time Inconsistency, and the CCAPM
 - Equity Premium Puzzle
3. Investment
 - Adjustment Costs and the q-Theory
 - Irreversible Investments and Capital Market Imperfections
4. Unemployment
 - Measurement and Stylized Facts
 - Hiring Costs
 - Efficiency Wages
 - Frictions: Search, Matching, and the 'Shimer-Puzzle'
5. Fiscal Policy
 - Debt, Deficit, and Ricardian Equivalence
 - The Fiscal Multiplier: Theory and Evidence
 - Political Economy, Debt Crises, and Growth

Literature

Galí, J. (2008), "Monetary Policy, Inflation, and the Business Cycle", Princeton University Press.
Walsh, C. (2003), "Monetary Theory and Policy", The MIT Press.

Time Series Analysis

Professor/Lecturer	Flaig, Gebhard
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics
Hours/week	2+2
Exam	Written exam (120 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Good knowledge of econometric methods and statistical analysis; at least basic knowledge of time series models (ARIMA models)

Syllabus/Course Outline

Outline of lecture

- 1) Basic Concepts of time series models
- 2) ARIMA models
- 3) Spectral analysis
- 4) Analysis of important filters in economics
- 5) State space modelling and the Kalman filter

The aim of the course is to present important concepts of time series analysis (Stationarity of stochastic processes, ARIMA models, spectral analysis, state space modelling etc.). The course is a mixture of theory and practical applications of time series methods. The theoretical material (presented mainly in the lecture) focuses upon properties of stationary time series and their analysis in the time and frequency domain. In the tutorial, problems of specification and estimation of time series are treated. We use the programming language GAUSS for empirical applications.

Literature

James Hamilton (1994), Time Series Analysis. Princeton University Press
Andrew Harvey (1993), Time Series Models. MIT Press
Robert Shumway/David Stoffer (2011), Time Series Analysis and its Applications. Springer

Search and Matching Models

Professor/Lecturer	Holzner, Christian
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics, Macro and International Economics
Hours/week	2+2
Exam	Written exam (120 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	

Syllabus/Course Outline

1. Introduction
2. Mortensen-Pissarides matching model
3. Endogenous job destruction
4. Search and on-the-job search
5. Directed search

Literature

The following three textbooks cover most of the course:

Pierre Cahuc and André Zylberberg (2004): Labor Economics, MIT Press.

Christopher A. Pissarides (2000): Equilibrium Unemployment Theory, MIT Press.

Dale Mortensen (2005): Wage dispersion, MIT Press.

Information about specific readings were given in the course.

Growth and Natural Resources

Professor/Lecturer	Pittel, Karin / Jaakkola, Niko
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics, Macro and International Economics
Hours/week	2+2
Exam	Written exam (120 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Macroeconomics Basic knowledge in the fields of environment and resource economics as well as in dynamic modeling is helpful but not essential.

Syllabus/Course outline

The course focuses on the implications of resource scarcity and environmental constraints on economic growth. To lay the foundations for the analysis, the course starts with a short refresher on neoclassical growth theory and endogenous growth theory. We then focus on specific aspects with respect to the extraction and use of exhaustible and renewable resources, as well as the impact of pollution (particularly climate change). Topics dealt with include socially optimal resource use, laissez-faire growth and the effects of environmental and resource policies, the long-run potential for economic growth under resource scarcity, the direction of technological development and the role of property rights.

Literature

Specific references were given at the beginning of and during the lecture series.

General references which may be useful:

Dynamic optimization: A textbook covering dynamic optimization methods may be useful. One straightforward introduction is Chiang, A.C. (1992), *Elements of Dynamic Optimization*, McGraw-Hill.

Growth theory: A general reference on growth theory will be useful. Some possible titles (among others!) are Barro, R. J. and X. Sala-i-Martin (2004), *Economic Growth*, MIT Press; Aghion, P. and P. Howitt (2009): *Economics of Growth*, MIT Press; Acemoglu, D. (2008): *Introduction to Modern Economic Growth*, Princeton University Press. These overlap in content, but differ in terms of style, difficulty and comprehensiveness; you should pick the one you feel suits you best.

Environmental economics: An easy introduction to environmental economics is Perman, R. et al. (2011), *Natural Resource and Environmental Economics*, Pearson.

Contest Theory & Experiments

Professor/Lecturer	Kocher, Martin
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction
Hours/week	2+2
Exam	Presentation (30 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Microeconomics

Syllabus/Course Outline

Economic, political and social problems are described as contests when agents exert costly efforts while competing over the distribution of a scarce resource. Examples are: competition for mates, patents, promotions within firms, lobbying politicians, elections, sports competitions, or global conflicts. Such environments have been analyzed using Tullock contests, all-pay auctions and rank-order tournaments.

The course will cover theoretical models and experimental papers testing predictions from the models.

Literature

Was given in the course

Determinants of Individual Productivity

Professor/Lecturer	Kocher, Martin & Sunde, Uwe & Winter, Joachim
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	not given*)
Hours/week	2+2)
Exam	Presentation (30 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Microeconomics

Syllabus/Course Outline

Aim of the course is discussing determinants of individual labor productivity as a consequence of individual decisions; covering studies analyzing human capital accumulation and the effects of ageing as well as illness; debating theoretical models and empirical evidence.

Literature

Was given in the course

*) PhD-Course; advanced Master students may attend after consultation (please contact the professor)

System Competition

Professor/Lecturer	Meier, Volker
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics
Hours/week	2+2
Exam	Written exam (120 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Microeconomics, Public Economics

Syllabus/Course

Introduction: Competition among States
Taxes and Public Infrastructure Goods
The Erosion of the Welfare State
Hamiltonians
Social Dumping in the Transformation Process
Ecological Competition
The Competition of Product Standards
Limited liability, Risk Taking and the Competition of Bank Regulators
The Competition of Competition Rules
The Implications of Systems Competition for Europe and the Greek Crisis

Literature

D. C. Mueller (2003), Public Choice III. Cambridge University Press: Cambridge etc.
T. Persson and G. Tabellini (2000), Political Economics. MIT Press: Cambridge and London

Introduction to liquidity trap economics: theory, quantitative methods, and empirical results

Professor/Lecturer	Watzka, Sebastian
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics
Hours/week	2+2
Exam	Written exam (120 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Macroeconomics Interest in monetary economics and DSGE models more generally

Syllabus/Course Outline

1. Introduction (Motivation, liquidity trap in the General Theory, recent developments in industrialised economies)
2. Liquidity Trap in modern style New Keynesian DSGE models
3. Computational issues and empirical testing

Aims

Introducing students to recent developments in monetary economics, and in particular to issues related to liquidity trap and implications for monetary and fiscal policies.

Learning Outcomes:

Better understanding of the theoretical, computational and empirical issues related to the liquidity trap, or more generally to an environment of low interest rates.

Selected topics:

liquidity trap, Zero Lower Bound, unconventional monetary policy, inflation expectations, depression economics

Literature

David Romer, Short-Run Fluctuations, Manuscript University of California, Berkeley, in particular Chapter IV

David Romer, Advanced Macroeconomics, McGraw-Hill

Microeconometrics

Professor/Lecturer	Winter, Joachim
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics
Hours/week	2+2
Exam	Written exam (120 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Econometrics

Syllabus/Course Outline

1. Review of linear regression models
2. Maximum likelihood estimation
3. Hypothesis and specification tests, bootstrap methods
4. Binary dependent variables
5. Multinomial models and discrete choice
6. Censoring and selection models
7. Count data models
8. Mixture models and unobserved heterogeneity

Literature

A. C. Cameron and P. K. Trivedi: Microeconometrics: Methods and Applications. New York: Cambridge University Press, 2005.
A. C. Cameron and P. K. Trivedi: Microeconometrics Using Stata. College Station, TX: Stata Press, 2008.

Evaluation Economics

Professor/Lecturer	Danzer, Alexander
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Summer term
ECTS-Points	12
Language	English
General Prerequisites	Econometrics. Advanced knowledge and interest in applied econometrics, experience with working with Stata, willingness to conduct own empirical research

Syllabus/Course Outline

Aims

- give students broad training in the economics and econometrics of policy evaluation
- provide students with the facility to apply economic models and quantitative techniques to evaluate actual policy interventions
- give students the opportunity to apply quantitative techniques and reproduce the results of a top published empirical paper which evaluates actual policy interventions in particular fields of economics

Learning Outcomes: By the end of this course students should:

- have an advanced level of understanding of the most important econometric techniques for ex-post evaluations of economic policies and political interventions
- understand key debates and problems in the economics of policy evaluation
- be able to apply their knowledge of econometrics to the evaluation literature in peer-reviewed journals
- be able to apply advanced-level evaluation methods to study the effects of a specific policy intervention

Selected topics:

- Research methods to identify causal effects in the economics of policy evaluation
- Randomized experiments
- Natural experiments: Diff-in-Diff, regression discontinuity design, regression kink design
- Matching, synthetic control groups
- Two stage estimation: IV, Heckman

Literature

Angrist, J.D. and J.-S. Pischke (2008). Mostly Harmless Econometrics.
 LaLonde, R.J. (1986). Evaluating the Econometric Evaluations of Training Programs with Experimental Data. *American Economic Review*, Vol. 76, 4: 604-620.
 Krueger, A.B. (1999). Experimental Estimates of Education Production Functions. *Quarterly Journal of Economics*, Vol. 114, 2: 497-532.
 Meyer, B.D. (1995). Natural and Quasi-experiments in Economics. *Journal of Business and Economic Statistics*, Vol. 13, 2: 151-161.
 Angrist, J.D. and V. Lavy (1999). Using Maimonides' Rule to Estimate the Effect of Class Size on Scholastic Achievement. *Quarterly Journal of Economics*, Vol. 114, 2: 533-575.
 Blundell, R., C. Meghir, M. Costa Dias and J. Van Reenen (2004). Evaluating the Employment Impact of a Mandatory Job Search Program. *Journal of the EEA*, Vol. 2, 4: 569-606.
 Imbens, Guido W. and Joshua D. Angrist (1994). Identification and Estimation of Local Average Treatment Effects. *Econometrica*, Vol. 62, 2: 467-475.

Recent Developments in International Trade

Professor/Lecturer	Felbermayr, Gabriel
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction; Macro and International Economics
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Summer term
ECTS-Points	12
Language	English
Prerequisites	

Syllabus/Course Outline

In the last ten to fifteen years, both theoretical modeling and empirical research in inter-national trade have undergone a profound revolution. New modeling approaches, new data, and better econometric methods shed new light on one of the oldest and most established fields in economic. Today, international trade research is a resolutely empirical field with manifold interactions between theory, econometrics, and quantitative model simulation for policy analysis. The objective of the seminar is to acquaint students with the most important recent developments and to rigorously prepare them for their own research work.

Literature

Antras, P. and S. Yeaple, 2013, "Multinational Firms and the Structure of International Trade"
 Costinot, A., and A. Rodriguez-Clare, 2013, "Trade Theory with Numbers: Quantifying the Consequences of Globalization"
 Head, K., and T. Mayer, 2013, "Gravity Equations: Workhorse, Toolkit and Cookbook"
 Melitz, M., and S. Redding, 2013, "Heterogeneous Firms and Trade"
 Burstein, A., and M. Melitz, 2013, "Trade Liberalization and Firm Dynamics"
 Helpman, E., and O. Itzhoki, 2013, "Trade and Labor Market Outcomes"
 Eaton, J., S. Kortum, and S. Sotelo, 2013, "International Trade: Linking Micro and Macro"

Advanced Topics in Taxation

Professor/Lecturer	Haufler, Andreas
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics; Microeconomics and Strategic Interaction
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Summer term
ECTS-Points	12
Language	English
Prerequisites	Public Economics (compulsory)

Syllabus/Course Outline

The first half of the course is a lecture with tutorial; this part is relevant for students in both the 6 ECTS and the 12 ECTS tier. The lecture aims to cover a broad range of research questions in the field of taxation, and simultaneously provides an introduction to the methods used in recent theoretical and empirical work in public economics. Topics include taxation and risk-taking, tax evasion, public goods and externalities and taxation in imperfect markets. A particular focus will be on international tax competition where the strategic interaction between countries and, in some cases, firms is analyzed.

The lecture is accompanied by a tutorial that deepens the understanding of the material through exercise questions and structured reading assignments.

The second half of the semester has a seminar-style format. Each student presents a recent research paper that empirically tests or applies the theories covered in the first part of the course. Based on these presentations, students then write a term paper in the format of a research proposal.

Literature

Gareth D. Myles (1995): Public Economics. Cambridge University Press.

Andreas Haufler (2001): Taxation in a Global Economy. Cambridge UP.

Original journal articles

Topics in International Trade

Professor/Lecturer	Tarasov, Alexander & Davide Suverato
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics
Hours/week	4+2
Exam	Written exam (120 min) and presentation (30 min)
Cycle	Summer term
ECTS-Points	12
Language	English
Prerequisites	Graduate course in Microeconomics or equivalent background and a working knowledge of calculus

Syllabus/Course

This course covers the theory of international trade at a graduate level. Specifically, it includes basic theories of international trade which explain why countries trade with one another such as the Ricardo Model, the Heckscher- Ohlin Model and trade with monopolistic competition. The course then covers more recent topics in international trade such as firm heterogeneity, the boundaries of multinational firms, international trade and the organization of firms and income distribution and trade.

Literature

Feenstra, R. (2003): "Advanced International Trade: Theory and Evidence," Princeton University Press.

E. Helpman, D. Marin, T. Verdier (eds.) (2008): „The Organization of Firms in a Global Economy“, Harvard University Press.

Contract Theory: Incentives and Behavior

Professor/Lecturer	Schmidt, Klaus
Course type	Lecture, and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction; Research
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Summer term
ECTS-Points	12
Language	English
Prerequisites	Microeconomics

Syllabus/Course Outline

The first half of the course is a lecture with tutorial offering a solid introduction into contract theory.

1. Introduction
2. Static Moral Hazard Models
3. Dynamic Moral Hazard Models
4. Static and Dynamic Adverse Selection
5. Relational Contracts
6. Mechanism Design
7. Incomplete Contracts

The lecture aims to cover a broad range of research questions in the field of taxation, and simultaneously provides an introduction to the methods used in recent theoretical and empirical work in public economics. Topics include taxation and risk-taking, tax evasion, public goods and externalities and taxation in imperfect markets. A particular focus will be on international tax competition where the strategic interaction between countries and, in some cases, firms is analyzed.

The lecture is accompanied by a tutorial that deepens the understanding of the material through exercise questions and structured reading assignments.

The second half of the semester has a seminar-style format. Each student presents a recent research paper that empirically tests or applies the theories covered in the first part of the course. Based on these presentations, students then write a term paper in the format of a research proposal.

Literature

Gareth D. Myles (1995): Public Economics. Cambridge University Press.

Andreas Haufler (2001): Taxation in a Global Economy. Cambridge UP.

Original journal articles

Labor Economics: Theory and Applications

Professor/Lecturer	Sunde, Uwe
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics, Microeconomics and Strategic Interaction, Applied Econometrics
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Summer term
ECTS-Points	12
Language	English
Prerequisites	

Syllabus/Course Outline

This course offers an introduction to modern labor economics with a focus on the combination of theoretical models and their empirical implementation, as well as empirical applications. The course covers standard theories of the labor market and discusses recent developments, including the implications of imperfect labor markets and extensions to behavioral economics.

Topics .

1. Quantitative Labor Supply
2. Qualitative Labor Supply: Human Capital Theory
3. Labor Demand
4. Search
5. Unemployment
6. Imperfect Labor Markets

Literature

Was given in the course

Applied Health Economics

Professor/Lecturer	Winter, Joachim
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Summer term
ECTS-Points	12
Language	English
Prerequisites	Econometrics (M.Sc.) is strongly recommended

Syllabus/Course Outline

The lectures will focus on six specific topics in empirical health economics, for instance:

- What is health? How can we measure health?
- The demand for health and health care
- Health investments and health in a life-cycle perspective
- Causal links between socio-economic status and health

The lectures will discuss the substantive research question as well as the data and the econometric methods required to answer them. Results from existing studies will be discussed.

The econometric methods will then be applied in the PC classes, with the aim of replicating some or all of the results in the studies discussed in the lecture.

Essays and student presentations will reconsider these substantive research questions and the empirical methods taught in the first half of the course. Topics will be based on published research papers. There is some flexibility with respect to precise contents of these essays and presentations, but generally it won't be possible to succeed in the 12 ECTS essay and presentation module without also having followed the lecture part.

Literature

In the lecture part of the course, the following textbook were used:

Andrew M. Jones, Nigel Rice, Teresa Bago dUva & Silvia Balia: Applied Health Economics, Second Edition. Abingdon, UK: Routledge, 2013

In addition, recent published research papers were discussed

New Keynesian Macroeconomics -Theory and Empirics

Professor/Lecturer	Wollmershäuser, Timo & Hristov, Nikolay
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Summer term
ECTS-Points	12
Language	English
Prerequisites	Advanced Macroeconomics (Real Business Cycle models, dynamic modeling), Time-series Econometrics

Syllabus/Course Outline

This course provides a thorough introduction, both from an empirical and a theoretical perspective, into the basic New Keynesian macroeconomic model. This framework has emerged as the workhorse for the analysis of monetary policy and its implications for inflation, economic fluctuations and welfare. A particular emphasis will be put on the following questions: How do we measure monetary policy shocks? What are the empirical effects of monetary policy? Can we explain these effects theoretically? How should optimal monetary policy look like?

Stylized Macroeconomic Facts of the European and US Business Cycle:

- The Hodrick-Prescott filter
- Some stylized facts

Literature

Required Readings:

Backus, David, Patrick Kehoe and Finn Kydland (1995) "International Business Cycles: Theory and Evidence", in T. Cooley, ed.: *Frontiers in Business Cycle Research*. Princeton, University Press.

Cooley, Thomas and Edward Prescott (1995) "Economic Growth and Business Cycles", in T. Cooley, ed.: *Frontiers in Business Cycle Research*. Princeton, University Press.

Suggested Readings:

Ambler, Steve, Emanuela Cardia and Christian Zimmermann (2004) "International business cycles: what are the facts?", *Journal of Monetary Economics*, 51, 257-276.

Gomme, Paul and Peter Rupert (2007) "Theory, Measurement and Calibration of Macroeconomic Models, *Journal of Monetary Economics*, 54, 460-497.

King, Robert G. and Sergio T. Rebelo (1999) "Resuscitating real business cycles," *Handbook of Macroeconomics*, in: J. B. Taylor & M. Woodford (ed.), *Handbook of Macroeconomics*, edition 1, volume 1, chapter 14, pages 927-1007 Elsevier.

Rebelo, Sergio (2005) "Real Business Cycle Models: Past, Present and Future," *Scandinavian Journal of Economics*, 107(2), 217-238.

Dynamic Stochastic General Equilibrium Models

Professor/Lecturer	Wollmershäuser, Timo & Hristov, Nikolay
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Summer term/Winter term
ECTS-Points	12
Language	English
Prerequisites	Advanced Macroeconomics, New Keynesian Macroeconomics or Monetary Theory

Syllabus/Course Outline

The objective of the the seminar is to present some important extensions of the baseline Real Business Cycle model and the baseline New Keynesian model. The extensions are drawn from publications in leading international journals and from advanced macroeconomic textbooks. The participants are expected to work out the differences of the extension with respect to the baseline model and to implement the model into the software platform Dynare.

Literature

Was given in the course

Empirical International Trade

Professor/Lecturer	Daniel Baumgarten
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics; Macro and International Economics
Hours/week	2+2
Exam	Exam 120 min
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Econometrics; moreover, some background in international trade will be very helpful

Syllabus/Course Outline

The aim of this course is to introduce graduate students to the empirics of international trade. At the end of the course, students should have a good understanding of trade patterns in the world, be able to understand and critically evaluate empirical trade papers, know *how to bring trade theories* to the data and how to implement (some of) the empirical techniques learnt in the course in the widely used econometrics software Stata.

1. Introduction
2. Tests of the Heckscher-Ohlin model
3. Tests of the Ricardian model
4. The gravity equation
5. Firm-level trade empirics
6. Assorted topics (time permitting)
 - a. Trade and economic growth
 - b. Trade and the labour market

Literature

The course is not based on a specific textbook. Some of the material is covered by Feenstra, R. (2004), "Advanced International Trade: Theory and Evidence", Princeton University Press.

Most of the material is based on original journal articles. References were given in the course.

Contest Theory and Experiments

Professor/Lecturer	Martin Kocher & Florian Lindner
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction
Hours/week	2+2
Exam	Presentation (30 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Microeconomics

Syllabus/Course Outline

Economic, political and social problems are described as contests when agents exert costly efforts while competing over the distribution of a scarce resource. Examples are: competition for mates, patents, promotions within firms, lobbying politicians, elections, sports competitions, or global conflicts. Such environments have been analyzed using Tullock contests, all-pay auctions and rank-order tournaments.

The course will cover theoretical models and experimental papers testing predictions from the models.

Literature

Was given in the course

Offshoring and multinational firms

Professor/Lecturer	Daniel Baumgarten
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics; Macro and International Economics
Hours/week	2+2
Exam	Exam 120 min
Cycle	Winter term
ECTS-Points	6
Language	English
Prerequisites	Microeconomics and econometrics; moreover, some background in international trade will be very helpful

Syllabus/Course Outline

A characteristic feature of today's era of globalization is the growing international fragmentation of production processes (offshoring). Relatedly, multinational firms have evolved as key players of globalization.

The aim of the course is to introduce graduate students to the theory and empirics of offshoring and multinational firms. At the end of the course, students should have a good understanding of the firms' motives for operating in more than one country, of the determinants of internalizing production stages vs sourcing them out, as well as of the effects both in the home country and the host country, with a particular focus on the respective labour markets.

- Introduction
- Horizontal foreign direct investment
- Vertical (and complex) foreign direct investment I
- International fragmentation of production and trade in tasks
- The boundaries of multinational firms
- Effects of offshoring and multinational firms on the home economy

Literature

The course is not based on a specific textbook, but on original journal articles. References were given in the course.

Frontiers in International Trade

Professor/Lecturer	Gabriel Felbermayr & Lisandra Flach
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics
Hours/week	2+2
Exam	Exam 120 min
Cycle	Winter term
ECTS-Points	6
Language	English
Prerequisites	Microeconomics, Background of International Trade

Syllabus/Course Outline

This course takes a firm level approach to the theory of international trade. The course is based on recent papers in this area and is intended to bring students to the frontier of research in this field.

1. The Armington model and the gravity equation of international trade
2. Ricardian models of trade
3. Trade with increasing returns and imperfect competition
4. Trade policy: beggar thy neighbor and protection for sale
5. Structural estimation of trade models and the effects of free trade agreements
6. Multi-product firms
7. The empirics of firm heterogeneity
8. Production function estimation
9. Productivity in firm-level data
10. Product quality: Theory and empirics
11. Recent topics in international trade

Literature

Was given in the course

Advanced Topics in Econometrics

Professor/Lecturer	Helmut Farbmacher
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics; Research
Hours/week	2+2
Exam	Term paper (45.000 characters)
Cycle	
ECTS-Points	6
Language	English
Prerequisites	Solid knowledge in Econometrics, Linear Algebra and Statistics and a high motivation

Syllabus/Course Outline

The goal of the course is to give an introduction to recent developments in (Micro-) Econometrics. The student should be enabled to understand the basic concepts and to utilize recent results for his own applied work.

The course will cover fundamental methods for microeconomic data, including maximum likelihood, moment condition models, quantile regression, and Bayesian methods.

Outline:

- Methods for Nonlinear Models: MLE, GMM, Minimum Distance, Extremum Estimation
- Large Sample Theory
- Continuously Updating GMM, Empirical Likelihood
- Quantile Regression
- Bayesian and Quasi-Bayesian Methods (From a Classical View)
- Bounds and (Partial) Identification
- Semi- and Nonparametric Methods
- Paneldata Methods

Literature

Amemiya: Advanced Econometrics

Anatolyev / Gospodinov: Methods for Estimation and Inference in Modern Econometrics

Selected articles

Empirical Gender Studies

Professor/Lecturer	Martin Kocher & Monika Schnitzer
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction
Hours/week	2+2
Exam	Exam 120 min
Cycle	Winter term
ECTS-Points	6
Language	English
Prerequisites	Principles of economics (microeconomics, game theory, and econometrics on the master level).

Syllabus/Course Outline

Discussing assessments of gender in economics with a focus on studies that use field data, field experiments, and laboratory experiments.
Debating methodological aspects of these studies such as design, potential pitfalls, biases,...

Topics:

Gender in models, experiments, and field data

A primer in behavioral and experimental economics; Gender and uncertainty

Gender and stereotypes

Gender and firm performance

Gender and competition

Gender and wage gap

Gender and prosocial behavior; Gender in psychology

Literature

Was given in the course

International Public Economics

Professor/Lecturer	Kai Konrad & Tim Stolper
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics
Hours/week	2+2
Exam	Exam 120 min
Cycle	
ECTS-Points	6
Language	English
Prerequisites	t.b.a.

Syllabus/Course Outline

The strengthened internationalization of modern economies constitutes a new framework to public spending and revenue policies, creating new challenges for policy makers. This course analyses the incentives for and effects of state actions in an international setting. Topics include, among others, the theory of tariffs, strategic trade policy, tax competition, and further cooperative and non-cooperative interactions between countries that affect public finances.

Outline:

1. Theory of tariffs
 - a. Incidence of import tariffs, and optimal tariffs and tariff war
 - b. Political economy of tariffs
 - c. Strategic trade policy
2. International public goods
 - a. Non-cooperative and cooperative provision of international public goods
 - b. Applications in the field of international climate policy
3. Tax competition
 - a. Tax competition between welfare states
 - b. Tax competition and political economy
4. Commitment problems of sovereigns
 - a. Sovereign debt and default
 - b. Foreign direct investment and expropriation

Literature

1. Brander, James A., 1995. Strategic Trade Policy, in: Gene M. Grossman and Kenneth Rogoff (Eds.), Handbook of International Economics, Vol. 3, Chapter 27. Elsevier, Amsterdam, 1395-1455.
2. Feenstra, Robert C., 2004. Advanced International Trade, Chapter 7. Princeton University Press, Princeton, 209-253.
3. Hoel, Michael, 1991. Global Environmental Problems - The Effects of Unilateral Actions Taken by One Country. Journal of Environmental Economics and Management 20(1), 55-70.
4. Huck, Steffen, and Kai A. Konrad, 2004. Merger Profitability and Trade Policy. Scandinavian Journal of Economics 106(1), 107-122.
5. Keen, Michael, and Kai A. Konrad, 2014. The Theory of International Tax Competition and Tax Coordination, in: Alan J. Auerbach, Raj Chetty, Martin Feldstein, and Emmanuel Saez (Eds.), Handbook of Public Economics, Vol. 5, Chapter 5. North-Holland, Amsterdam, 257-328.

Political Economy

Professor/Lecturer	Björn Kauder & Niklas Potrafke
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics
Hours/week	2+2
Exam	Term Paper
Cycle	Winter Term
ECTS-Points	6
Language	English
Prerequisites	Econometrics (recommended)

Syllabus/Course Outline

The Political Economy course focuses on research in applied political economy. The course deals with questions such as

- How government ideology influences economic policy-making (partisan politics)
- How electoral motives influence economic policy-making (political business cycles)
- How globalization influences economic policy-making
- How political institutions and religion influence economic policy-making
- How political scandals influence re-election prospects

We apply econometric techniques to estimate panel data models, univariate time series models, linear cross-sectional models and binary choice models. The data cover recent datasets used in political economy research. In the first two thirds of the course, you will learn how to employ econometrics to deal with political economy issues. The aim is that you do your own research during the semester and present first results in class at the end of the semester.

Literature

Was given in the course

Advanced Economic History

Professor/Lecturer	Davide Englem
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics
Hours/week	4+2
Exam	Term Paper, presentation
Cycle	Winter term
ECTS-Points	12
Language	English
Prerequisites	Principles of economics (micro and macroeconomics, and especially econometrics at the master level).

Syllabus/Course Outline

This course aims to explain the very long run trends in economic history. The two main questions that underlie the classes will be: (1) why are our societies so much more productive/rich than our ancestors' ones? and (2) why are there such large differences in income levels across societies today? To investigate these questions, we will look for the explanatory power of various factors, such as geography, technology, institutions, and culture, trying to isolate fundamental determinants from proximate ones. As put by North and Thomas in 1973: "The factors we have listed (innovation, economies of scale, education, capital accumulation etc.) are not causes of growth; they are growth" — instead, causes of growth will be the focus of this class.

As such, this class is highly complementary to any courses or readings you might do in economic growth, economic development, or political economy. Moreover, the focus of this class will be on reading and discussing research papers with a strongly empirical focus; it will thus be complementary to the (micro) econometrics classes in the program and should be viewed as good preparation to one's own writing of applied research papers.

Literature

(Note: this is just a selection of books that represent the core topics discussed in the lecture.)

Diamond, Jared (1997), *Guns, Germs, and Steel*. New York: W.W. Norton

Clark, Gregory (2007), *A Farewell to Alms*. Princeton, N.J.: Princeton University Press

North, D. C. and Thomas, R. P. (1973). *The Rise of the Western World: A New Economic History*. Cambridge University Press, Cambridge, New York

Engerman, S. L. and Sokoloff, K. L. (1997). Factor endowments, institutions, and differential paths of growth among New World economies: A view from economic historians of the United States. In Haber, S., editor, *How Latin America Fell Behind*. Stanford University Press, Palo Alto, Calif

Advanced Topics in Organizational Economics

Professor/Lecturer	Englmaier, Florian
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction; Research
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Winter term
ECTS-Points	12
Language	English
Prerequisites	Master Level knowledge in Microeconomics and Econometrics are necessary; some familiarity with game theory and principal agent theory will be helpful.

Syllabus/Course Outline

- 1 Behavioral Approaches
 - 1.1 The Role of Social Preferences – Theory
 - 1.2 The Role of Social Preferences – Evidence
 - 1.3 Matching of Types
 - 1.4 Contracts as Reference Points
 - 1.5 The Role of Salience – Evidence
 - 1.6 The Role of Salience – Theory
- 2 Persistent Productivity Differences –What do managers do?
 - 2.1 Evidence
 - 2.2 Explanations: Management Practices
 - 2.3 Explanations: Relational Contracts
- 3 Authority and Leadership
- 4 Delegation and Communication
- 5 Learning about Organizations through Field Experiments

Literature

"The Handbook of Organizational Economics", edited by Robert Gibbons & John Roberts, Princeton University Press, 2012

Advanced Search Theory

Professor/Lecturer	Holzner, Christian
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics; Microeconomics and Strategic Interaction
Hours/week	4+2
Exam	Term Paper, presentation
Cycle	Winter term
ECTS-Points	12
Language	English
Prerequisites	Lecture in "Search and Matching Theory"

Syllabus/Course Outline

The focus seminar is addressed to master students, who are interested in the latest developments in search theory. Aim of the seminar is to give the seminar participants an overview of current research topics in search theory with a focus on heterogeneity on both sides. The topics will cover mismatch, sorting and auctions in environments with search frictions.

Topics:

1. Sorting versus screening in frictional markets

The aim is to understand under which type of meeting (search) frictions induce firms to choose to commit to prices, to post an asking price without commitment, or to post an auction.

2. How to identify sorting

The aim is to understand how one can empirically identify the direction (positive assortative vs. negative assortative) and the strength of sorting based on a framework with search frictions.

3. Mismatch, sorting and search frictions

The aim is to understand the role of mismatch and subsequent sorting through on-the-job search for job-to-job transitions and the output lost due to search frictions.

Literature

Books:

- Pierre Cahuc and André Zylberberg: Labor Economics
- Christopher Pissarides: Equilibrium Unemployment
- Dale Mortensen: Wage dispersion

The different topics of your seminar thesis were based on various search theory papers.

Monetary Theory

Professor/Lecturer	Gerhard Illing
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics
Hours/week	4+2
Exam	Exam 120 min
Cycle	Winter term
ECTS-Points	12
Language	English
Prerequisites	Macroeconomics; Microeconomics; Econometrics

Syllabus/Course Outline

The aim of the course is to introduce into core models of Monetary Theory and to show how they can be used to provide insights for the design of monetary policy. The course will also survey selected current research topics in this field. Topics include the role of money in flexible-price general equilibrium models and in models with sticky price adjustment; Monetary Transmission mechanisms, Monetary policy rules; credibility issues in monetary policy; the importance of institutional design for monetary policy and issues in monetary policy implementation. Apart from New Keynesian models, the course will also cover the interaction between monetary and fiscal policy, the role of government debt and the theory of the fiscal price level; monetary policy and financial stability; incomplete financial markets and models of liquidity crises. Requisite for taking part in the exam is a reading-group-type presentation of a recent research paper, to be presented in January.

- Introduction: Central Banks and the role of money
- Stylized Facts about Money
- Long Run Growth - The Basic Framework
- Money and long run growth
- Money and short run stabilization
- Monetary Policy and Financial Stability

Literature

The course was based on:

Illing, Gerhard script: Money - Theory and Practise - mimeo, LMU Munich and
Walsh, Carl E. (2010): Monetary Theory and Policy. 3rd edition. MIT Press.

Additional reading list were given in the course

Social Policy

Professor/Lecturer	Volker Meier
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics
Hours/week	4+2
Exam	Exam 120 min
Cycle	Winter term
ECTS-Points	12
Language	English
Prerequisites	Advanced Macroeconomics, Advanced Microeconomics, Public Economics

Syllabus/Course Outline

The seminar deals with various issues in the sphere of intergenerational redistribution of income, with a focus on higher education and family policies.

- **Policy Issues in Higher Education**
Centralization of Standards - Standards and Distribution - College Expansion and Academic Quality - Admission and Pricing in Higher Education - Tests and Tuition Fees
- **Family Policy**
Family Policy with Noncooperative Families - Impact of Child Benefits and Taxation on Fertility and Labour Supply - Household Behavior with Endogenous Bargaining Weights - Family Policy with Endogenous Gender Power

Literature

- Apps, P. and R. Rees (2004), "Fertility, Taxation and Family Policy", *Scandinavian Journal of Economics* 106, 745-763.
- Basu, K. (2006), "Gender and Say: A Model of Household Behaviour with Endogenously Determined Balance of Power", *Economic Journal* 116, 558-580.
- Betts, J. (1998). "The Impact of Educational Standards on the Level and Distribution of Earnings", *American Economic Review* 88, 266-275.
- Costrell, R. (1997). "Can Centralized Educational Standards Raise Welfare?", *Journal of Public Economics* 65, 271-293.
- Epple, D., R. Romano and H. Sieg (2006). "Admission, Tuition and Financial Aid in the Market for Higher Education", *Econometrica* 74, 885-928.
- Gary-Bobo, R. and A. Trannoy (2008). "Efficient Tuition Fees and Examinations", *Journal of the European Economic Association* 6, 1211-1243.
- Kemnitz, A. and M. Thum (2014), "Gender Power, Fertility and Family Policy", *Scandinavian Journal of Economics*, forthcoming.
- Konrad, K. A. and K. E. Lommerud (1995), "Family Policies with Non-Cooperative Families", *Scandinavian Journal of Economics* 97, 581-601.
- Su, X., M. Kaganovich and I. Schiopu (2012). "College Expansion and Curriculum Choice", University of Alberta, Working Paper No. 2012-25.

Economic Evaluations of Family Policy Interventions

Professor/Lecturer	Helmut Rainer
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics
Hours/week	4+2
Exam	Term Paper, Presentation
Cycle	
ECTS-Points	12
Language	English
Prerequisites	Although the course is largely self-contained, Econometrics (M.Sc.) is recommended

Syllabus/Course Outline

The course offers an introduction to modern family economics with a focus on empirical evaluations of family policy interventions. The course will include but is not limited to the following topics:

- What kind of public policies are targeted at families, and how are they expected to affect family outcomes from a theoretical point of view?
- How does the provision of public child care affect maternal employment and fertility?
- What is the causal link between early child care and child development?
- How do families respond to unconditional monetary benefits?
- How does the liberalization of divorce laws affect flows into and out of marriage?

The course has two main parts. The first part consists of weekly lectures which will discuss the substantive research questions as well as the data and the econometric techniques necessary to address them. In the second part of the course, which will be blocked on 2 days, students will present their term papers. The topics of the term papers will reflect the substantive research questions and empirical methods covered in the first part of the course.

Literature

Havnes, T. and Mogstad, M. (2011), Money for Nothing? Universal Child Care and Maternal Employment; *Journal of Public Economics*

Gelbach, J. (2002), Public Schooling for Young Children and Maternal Labour Supply, *The American Economic Review*;

Magnuson, K.A., Ruhm, C., Waldfogel, J. (2007), Does prekindergarten improve school preparation and performance?, *Economics of Education Review*

Gonzales, L. (2013), The Effect of a Universal Child Benefit on Conceptions, Abortions, and Early Maternal Labor Supply, *American Economic Journal: Economic Policy*

Lalive, R., Zweimüller, J. (2009), How Does Parental Leave Affect Fertility and Return to Work? Evidence from Two Natural Experiments; *Quarterly Journal of Economics*

Friedberg, L., (1998), Did Unilateral Divorce Raise Divorce Rates? Evidence from Panel Data, *American Economic Review*

Further literature was added during the course.

Capital Income Taxation

Professor/Lecturer	Volker Meier
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics
Hours/week	2+2
Exam	Presentation
Cycle	SS2015
ECTS-Points	6
Language	English
Prerequisites	Public Economics

Syllabus/Course Outline

1. Introduction: Theory of Intertemporal Allocation
2. Taxation and the Financial Decisions of the Firm
3. Taxation and Intersectoral Allocation of Capital
4. Optimal Firm Behaviour under Taxation
5. Cash Flow Taxation
6. Investment Neutral Taxation and Economic Depreciation
7. The Taxation Paradox
8. Taxes in the Lifecycle of a Firm: The Nucleus Theory
9. Taxation and the Birth of Foreign Subsidiaries

Literature

Hans-Werner Sinn (1987): Capital Income Taxation and Resource Allocation, North Holland, Amsterdam.

Hans-Werner Sinn (1991): "Taxation and the Birth of Foreign Subsidiaries", in: H. Herberg und N.V. Long, ed., Trade, Welfare, and Economic Policies, Essays in Honour of Murray C. Kemp, University of Michigan Press: Ann Arbor, pp. 325-352.

Growth and Natural Resources

Professor/Lecturer	Karen Pittel
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics, Public Sector Economics
Hours/week	2+2
Exam	Exam
Cycle	SS2015
ECTS-Points	6
Language	English
Prerequisites	

Syllabus/Course Outline

The lecture addresses the question whether and under which conditions growth, resource use and sustainable development are compatible. As this question is of an essentially dynamic nature, the lecture extensively uses intertemporal economic approaches.

The first part of the course is dedicated to an introduction to dynamic optimization and growth theory. After a short repetition of exogenous growth models, the basic control theoretic approach is introduced. Building on this methodology, different endogenous growth models that differ with respect to the forces driving long-run development are presented.

After these growth theoretic foundations have been laid, the lecture turns to the usage of exhaustible and renewable resources in the production process. Conditions for intertemporally optimal price and extraction paths are derived and aspects and caveats of optimal resource policy are discussed. Finally, the course turns to the prerequisites for sustainable development and long-run growth

Topics

1. Introduction
2. Neoclassical Growth and Dynamic Optimization
3. Endogenous Growth Theory
4. Growth and Non-Renewable Resources
5. Growth and Renewable Resources
6. Extensions

Literature

Barro, R.J./Sala-I-Martin, X. (2004), *Economic Growth*, MIT Press, Cambridge, MA, 2nd ed.

Chiang, A.C. (1992), *Elements of Dynamic Optimization*, McGraw Hill.

Aghion, P., Howitt, P. (1998), *Endogenous Growth Theory*, MIT Press.

Smulders, S. (1999), *Endogenous Growth Theory and the Environment*, in J.C.J.M. van den Bergh (ed.) *Handbook of Environmental and Resource Economics*, Edward Elgar.

Dasgupta, P.; Heal, G. (1979), *Economic Theory and Exhaustible Resources*, Cambridge University Press.

Groth, C. (2007), *A New-Growth Perspective on Non-Renewable Resources*, in: Bretschger, L. and Smulders, S., *Sustainable Resource Use and Economic Dynamics*, Springer.

Perman, R. et. al (2003), *Natural Resource and Environmental Economics*, Pearson

The Political Economy of Intergenerational Transfers

Professor/Lecturer	Poutvaara
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics
Hours/week	2+2
Exam	Written Exam
Cycle	SS2015/WS201516
ECTS-Points	6
Language	English
Prerequisites	

Syllabus/Course Outline

This course analyzes political economy models related to various intergenerational transfers, most notably, social security (public pensions) and public education. The course starts with an overview of median voter models in the presence of overlapping generations, and discusses also probabilistic voting models. After this, more structure is added into the discussion by including different types of social security, with focus on how the political support to social security depends on whether social security benefits are earnings-related or flat-rate, and also on the effects of early retirement provisions. Moreover, the course analyzes political support for public education, and how public education and social security can be linked in the political process. The course also explores the scope for reforming social security, military draft as a form of intergenerational redistribution, and the effects of the mobility of labor.

Course Outline:

- 1 Introduction
- 2 Models on voting
- 3 Voting on social security
- 4 Population aging
- 5 Earnings-related and flat-rate benefits
- 6 Probabilistic voting
- 7 Voter responses
- 8 Education and social security
- 9 Scope for reforming social security
- 10 Migration and redistribution
- 11 Migration and Social Security
- 12 Mobility of labor and public provision of higher education
- 13 Generational incidence and political economy of conscription

Literature

Was given in the course

Game Theory

Professor/Lecturer	Klaus Schmidt
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction; Research
Hours/week	2+2
Exam	Written exam (120 min)
Cycle	SS2015
ECTS-Points	6
Language	English
Prerequisites	

Syllabus/Course Outline

1. Static Games with Complete Information
2. Dynamic Games with Complete Information
3. Bargaining Games
4. Repeated Games
5. Static Games with Incomplete Information
6. Dynamic Games with Incomplete Information

Literature

- Fudenberg, Drew, and Jean Tirole, Game Theory, Cambridge MA: MIT Press 1991
- Mas-Colell, Andreu, Whinston, Michael and Ed Green, Microeconomic Theory, Oxford: Oxford University Press 1995

Economic Foundations and Applications of Risk

Professor/Lecturer	Till Stowasser
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction
Hours/week	2+2
Exam	Exam
Cycle	SS2015
ECTS-Points	6
Language	English
Prerequisites	

Syllabus/Course Outline

A. Foundations I: The Core

- Chapter 1: Expected Utility Theory
- Chapter 2: Measures of Risk Aversion
- Chapter 3: Measures of Risk

B. Applications

- Chapter 4: Optimal Portfolio Choice
- Chapter 5: Insurance Markets
- Chapter 6: Firms under Uncertainty

C. Foundations II: More about Risk

- Chapter 7: Pareto Efficient Allocation of State Dependent Income
- Chapter 8: The Value of Information
- Chapter 9: Non-expected Utility Theory

Literature

- *Gollier, C. [2004] The Economics of Risk and Time MIT Press
- Bewley, T. F. [1986] Knightian Decision Theory: Part I. Yale University, Cowles Foundation Discussion Paper No. 807
- Bewley, T. F. [1987] Knightian Decision Theory: Part II. Yale University, Cowles Foundation Discussion Paper No. 868
- Diamond, P and M Rothschild (eds) [1989] Uncertainty in Economics. Readings and Exercises, Academic Press
- Dixit, A K and R S Pindyck [1994] Investment under Uncertainty, Princeton University Press
- *Eeckhoudt, E. and C. Gollier [1995] Risk: Evaluation, Management and Sharing. Harvester/Wheatsheaf
Uncertainty, Physica-Verlag, Heidelberg
- Van Zandt, T. [2004] Introduction to the Economics of Uncertainty and Information, Unpublished manuscript
- Von Neumann, J. and O. Morgenstern [1953] Theory of Games and Economic Behavior, Princeton University Press
- *Gravelle, H.S.E. and R. Rees [2004] Microeconomics, Prentice Hall
Hirshleifer, J. and J.G. Riley, [1992] The Analytics of Uncertainty and Information, Cambridge University Press
- Knight, F. H. [1921] Risk, Uncertainty and Profit *Laffont, J-J [1989] The Economics of Uncertainty and Information, MIT Press
- Savage, L. J. [1954] The Foundations of Statistics, Wiley *Sinn, H.-W. [1989] Economic Decisions under

Introduction to liquidity trap economics: theory, quantitative

Professor/Lecturer	Sebastian Watzka
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics
Hours/week	2+2
Exam	Exam
Cycle	SS2015
ECTS-Points	6
Language	English
Prerequisites	

Syllabus

Course Outline:

Introduction (Motivation, liquidity trap in the General Theory, recent developments in industrialised economies)

Liquidity Trap in modern style New Keynesian DSGE models

Computational issues and empirical testing

Aims:

Introducing students to recent developments in monetary economics, and in particular to issues related to liquidity trap and implications for monetary and fiscal policies.

Selected topics:

Liquidity trap, Zero Lower Bound, unconventional monetary policy, inflation expectations, depression economics

Literature

- David Romer, Short-Run Fluctuations, Manuscript University of California, Berkeley, in particular Chapter IV, <http://eml.berkeley.edu/~dromer/papers/Romer%20Short-Run%20Fluctuations%20January%202012.pdf>
- PLUS course reading list in separate pdf

Topics in Applied Econometrics

Professor/Lecturer	Joachim Winter
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics
Hours/week	2+2
Exam	Exam
Cycle	SS2015
ECTS-Points	6
Language	English
Prerequisites	

Syllabus/Course Outline

This is a reading course for advanced master and doctoral students interested in the application of microeconomic methods. We will discuss one recently published paper in each session. We will focus on the application of econometric methods in state-of-the-art applied microeconomic research. Some knowledge of the basic methods is needed. It is thus advisable that students have taken a lecture in microeconomics before participating in this course.

Literature

The course was based on selected papers that use microeconomic methods and have been published in leading economics journals in the past five years.

Topics in International Taxation

Professor/Lecturer	Andreas Haufler
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics
Hours/week	4+2
Exam	Term Paper, Presentation
Cycle	SS2015
ECTS-Points	12
Language	English
Prerequisites	

Syllabus/Course Outline

In the Summer Term 2015 the Seminar for Economic Policy offers a Master level seminar „Topics in International Taxation“. We will cover topics that play an important role in current research in the field. We focus on the taxation of individuals and firms under conditions of international or interregional mobility. For the taxation of individuals we will address issues such as the optimal degree of progressivity, or discriminatory taxation of foreigners versus domestic residents. In the area of corporate taxation we cover issues of international competition for mobile firms and profit shifting in multinational corporations.

Literature

Cremer, H., Gahvari, F. (2000): Tax evasion, fiscal competition, and economic integration. *European Economic Review* 44, 1633-1657.

Huizinga, H., Laeven, L. (2008): International profit shifting within multinationals: A multi country perspective. *Journal of Public Economics* 92, 1164-1182.

Mintz, J., Smart, M. (2004): Income shifting, investment, and tax competition: theory and evidence from provincial taxation in Canada. *Journal of Public Economics* 88, 1149-1168.

Hong, Q., Smart, M. (2010): in praise of tax havens: International tax planning and foreign direct investment. *European Economic Review* 54, 82-95.

Elsayyad, M., Konrad, K. (2012): Fighting multiple tax havens. *Journal of International Economics* 86, 295-305.

Johannesen, N., Zucman, G. (2014): The end of bank secrecy: An evaluation of the G20 tax haven crackdown. *American Economic Journal: Economic Policy* 6, 65-91.

Behavioral and experimental economics

Professor/Lecturer	Martin Kocher
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction; Research
Hours/week	4+2
Exam	Term Paper, Presentation
Cycle	SS2015
ECTS-Points	12
Language	English
Prerequisites	Microeconomic

Syllabus/Course Outline

Contents: The course focuses on how psychological insights and experimental methods have been influencing economic thinking. We will discuss several selected topics in microeconomics and public economics, most of which involve situations with strategic interaction.

Aims: The standard economic paradigm has been complemented over the last decades by important insights from psychological research, sociology, biology, and other related fields. Concurrently, the methodological foundations of laboratory and field experiments in economic environments have been developed, and experimental methods have been applied to many basic and more applied research questions. Results from experiments provide feedback and input for the development of new models of economic behavior. This course aims to provide an exemplary overview of the interesting research programs from behavioral and experimental economics, to give a flavor of their importance and their extent as well as and, probably most importantly, to create a basis and interest for the use of the methods in one's own research.

Literature

Was given in the course

Behavioral Economic Theory

Professor/Lecturer	Johannes Maier; Takeshi Murooka
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction; Research
Hours/week	4+2
Exam	Term Paper, Presentation
Cycle	SS2015
ECTS-Points	12
Language	English
Prerequisites	Graduate Microeconomics

Syllabus/Course Outline

Behavioral Economics emerged out of a number of empirical and experimental puzzles which are difficult to explain with the standard economic paradigm, the homo oeconomicus. Why do default decisions matter even if transaction costs are low? Why do people borrow on credit cards and, at the same time, hold substantial illiquid wealth? Why do people engage in charitable giving? Behavioral economics is the attempt to shed light on these and other puzzles by enriching standard theory with psychological realism, i.e., creating models about behavior that bring more accurate predictions.

The aim of the course is to make students familiar with the most important workhorse models in behavioral economics. At the end of the course, students should be able to apply these workhorse models to particular economic problems, e.g., pricing, moral hazard, savings for retirement, etc. This course has a strong focus on formal theoretical models. We will only occasionally survey experiments but will not cover them in full detail.

The first part of the course will be lectures, interrupted by some tutorials. In the second part of the course, students have to present and discuss recent papers in the field of behavioral economics. These papers typically will be behavioral theory and its applications, for instances, Industrial Organization and Contract Theory.

Literature

Books:

- Camerer, C. (2003): Behavioral Game Theory: Experiments in Strategic Interaction, Princeton University Press.
- Wakker, P.P. (2010): Prospect Theory: For Risk and Ambiguity, Cambridge University Press.
- Wilkinson, N. and M. Klaes (2012): An Introduction to Behavioral Economics, Palgrave Macmillan.

Several anthologies, survey articles and papers were given in the lecture

Economics of Education

Professor/Lecturer	Volker Meier
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics
Hours/week	4+2
Exam	Term Paper, Presentation
Cycle	SS2015
ECTS-Points	12
Language	English
Prerequisites	Public Economics

Syllabus/Course Outline

- Justification of government involvement in the market for education
- Political economy of public education
- Tracking procedures and vouchers in mixed education systems
- Regulation of higher education by fees, admission tests and standards
- International externalities in higher education finance

Literature

Bénabou, R. (2002). "Tax and Education Policy in a Heterogeneous-Agent Economy: What Levels of Redistribution Maximize Growth and Efficiency?", *Econometrica* 70, 481-517.

Gasparini, L.C. and S. M. Pinto (2006). "Equality of Opportunity and Optimal Cash and In-Kind Policies", *Journal of Public Economics* 90, 143-169.

Lülfelsmann, C. and G. M. Myers (2011). "Two-Tier Public Provision: Comparing Public Systems", *Journal of Public Economics* 95, 1263-1271.

Epple, D. and R. Romano (2014). "On the Political Economy of Educational Vouchers", *Journal of Public Economics* 120, 62-73.

Lee, K. (2015). "Higher Education Expansion, Tracking, and Student Effort", *Journal of Economics* 114, 1-22.

Gary-Bobo, R. and A. Trannoy (2008). "Efficient Tuition Fees and Examinations", *Journal of the European Economic Association* 6, 1211-1243.

Mechtenberg, L. and R. Strausz (2008), "The Bologna Process: How Student Mobility Affects Multi-Cultural Skills and Educational Quality", *International Tax and Public Finance* 15, 109-130.

The Political Economics of Development

Professor/Lecturer	Lukas Buchheim
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics
Hours/week	4+2
Exam	Term Paper, Presentation
Cycle	SS2015
ECTS-Points	12
Language	English
Prerequisites	Macroeconomics, Microeconomics, Econometrics

Syllabus/Course Outline

In this course, we will study how political economy considerations are intertwined with economic development. Examples for questions we will be interested in are: How do political institutions influence economic development? What are the incentives of political actors to change political institutions (i.e. implement democratic reforms), thereby potentially affecting economic development? What are potential tradeoffs that political rulers face when designing economic institutions (i.e. the extent of rule of law or the quality of the bureaucracy)?

While these are old questions which can be found already in the works of Adam Smith, they have received renewed interest in the past few decades. Hence, there is an exciting new literature with both, theoretical and empirical studies, which we are going to explore. Furthermore, since this is a seminar-style course, students' interests can be to some extent considered when specifying the topics of the course in detail.t.b.a.

Literature

To get a feeling for potential topics of the course, students may want to consult the following sources:

Acemoglu, Daron, 2014, "Political Economy Lecture Notes", particularly Chapters 11 ff., <http://economics.mit.edu/files/9524> (Theory)

Besley, Tim and Torsten Persson, 2011, "Pillars of Prosperity", *Princeton University Press* (Theory and Empirics)

Acemoglu, Daron, Suresh Naidu, Pascual Restrepo, and James A. Robinson, 2014, "Democracy Does Cause Growth", *NBER Working Paper*, No. 20004 (Empirics)

Olken, Benjamin, 2007, "Monitoring Corruption: Evidence from a Field Experiment in Indonesia," *Journal of Political Economy*, 115 (2): 200-249 (Empirics)

International Migration: Empirical Methods and Economics Implications

Professor/Lecturer	Christoph Trebesch
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics; Applied Econometrics
Hours/week	4+2
Exam	Term Paper, Presentation
Cycle	SS2015
ECTS-Points	12
Language	English
Prerequisites	

Syllabus/Course Outline

The course will cover central questions in the academic debate on international labor migration. We will discuss recent and classic contributions and debate how policy questions are addressed by leading researchers in the field.

Methodologically, the course aims to train students to critically assess and replicate state-of-the-art empirical papers.

- How can research help us to answer important policy questions on labor migration?
- How does the literature try to pin down causal effects?
- What are the most influential empirical approaches and results?
- What are the flaws and limitations in the literature?

We will focus on the following six research questions:

The effects of emigration on the sending country:

- 1) What is better for development: international aid or international migration?
- 2) High-skilled emigration: Brain drain or brain gain?
- 3) Is emigration good for political economy and institutions in sending countries?

The effects of immigration on the receiving country:

- 4) Does immigration reduce wages and employment in receiving countries?
- 5) Does immigration and ethnic diversity foster economic growth and innovation?
- 6) Does immigration cause crime?

Literature

Survey on 1): Qian, N. (2014). *Making Progress on Foreign Aid*. Annual Review of Economics, Vol 7 (forthcoming)

Survey on 2): Docquier, F., and H. Rapoport (2012): *Globalization, Brain Drain and Development*, Journal of Economic Literature, 50(3): 681-730.

Survey on 3) Kapur, D. (2014). *Political Effects of International Migration*. Annual Review of Political Science, 17: 479-502.

Survey on 4): Kerr, S. and W. Kerr. (2011). *Economic Impacts of Immigration: A Survey*. NBER Working Paper No. 16736.

Survey on 5) Alesina, A., and E. La Ferrara (2005). *Ethnic Diversity and Economic Performance*. Journal of Economic Literature, 43(3): 762-800.

The Economics of Science and Innovation

Professor/Lecturer	Martin Watzinger
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics
Hours/week	4+2
Exam	Term Paper, Presentation
Cycle	SS2015
ECTS-Points	12
Language	English
Prerequisites	

Syllabus/Course Outline

This advanced seminar discusses important early and new contributions to the literature on the economics of science and innovation. Students conduct with assistance from the lecturer an own empirical research project based on a current paper. The results are discussed along with their identification strategy and econometric details and contrasted to the literature in a lecture format. It is expected that the students read all underlying papers.

Literature

Among others the projects are based on:

Azoulay, Pierre, Joshua S. Graff Zivin, and Bhaven N. Sampat. The diffusion of scientific knowledge across time and space: Evidence from professional transitions for the superstars of medicine. No. w16683. National Bureau of Economic Research, 2011.

Galasso, Alberto, and Mark Schankerman. "Patents and cumulative innovation: causal evidence from the courts." Available at SSRN 2247011 (2013).

Gruber, Marc, Dietmar Harhoff, and Karin Hoisl. "Knowledge recombination across technological boundaries: scientists vs. engineers." *Management Science* 59.4 (2013): 837-851.

MOSER, PETRA. "How Do Patent Laws Influence Innovation? Evidence from Nineteenth-Century World's Fairs." *The American Economic Review* 95.4 (2005): 1214-1236.

Abrams, David S., Ufuk Akcigit, and Jillian Popadak. Patent Value and Citations: Creative Destruction or Strategic Disruption?. No. w19647. National Bureau of Economic Research, 2013.

The Estimating Causal Effects – Replication Seminar

Professor/Lecturer	Amelie Wuppermann
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics
Hours/week	4+2
Exam	Term Paper, Presentation
Cycle	SS2015
ECTS-Points	12
Language	English
Prerequisites	

Syllabus/Course Outline

Do minimum wages affect earnings, employment and firms' profits? Does parental leave affect fertility? And do bans on texting while driving reduce traffic accidents? Answering these and similar questions on causal relationships is key to understanding the impacts of different policies. However, answering causal questions is often not straight-forward. Depending on the specific question and data at hand, (quasi-)experiments in combination with different econometric techniques such as difference-in-difference, instrumental variables estimators, or regression-discontinuity designs can help. This seminar aims at deepening students' understanding of these econometric techniques, introducing them to real-life empirical research, and preparing them to conduct their own empirical analyses, e.g. as part of their master's thesis. To reach these goals each student will be asked to replicate and extend an empirical study on causal effects from fields such as labor, health, education or family economics and to summarize the findings in a term paper (ca. 45.000 symbols). Students will have to present and discuss their findings during the seminar.

Literature

No textbook
Various papers

Systems Competition

Professor/Lecturer	Björn Kauder & Marcus Drometer
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics
Hours/week	2+2
Exam	Written exam (120 min)
Cycle	WS2015/16
ECTS-Points	12
Language	English
Prerequisites	Intermediate microeconomics recommended

Syllabus/Course Outline

1. Introduction
2. Tax Competition
3. Mobility and the Welfare State
4. Social Dumping
5. Environmental Regulation
6. Competition of Product Standards
7. Banking Regulation
8. Competition of Competition Rules

Literature

Hans-Werner Sinn, *The New Systems Competition*, Yrjö Jahnsson Lectures, Basil Blackwell: Oxford, 2003.

Behavioral Economics: Decision Making

Professor/Lecturer	Martin Kocher
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction; Research
Hours/week	2+2
Exam	Exam (60 min)
Cycle	WS2015/16
ECTS-Points	6
Language	English
Prerequisites	

Syllabus/Course Outline

Contents: The course will be an “experiment”. We want to implement two innovative features. First, we plan to combine standard theory (reading a book together) with behavioral elements (recent experimental papers). Second, we shall select the topic of the course jointly in the first meeting by a majority vote of those who are present. The two options are: (i) Bargaining Theory and Experiments; (ii) Auction Theory and Experiments.

Update: Option (i) has been selected.

Aims: The idea is to discuss the theoretical models based on standard assumptions (perhaps extend them a bit) and present experimental papers related to them. After the course, everybody should have a very good overview of the selected topic.

Methods: The lecture will be hold as a discussion group. Everybody is requested to read the chapters before class (really!). We shall have **two participants** (master students) being responsible to answer questions and to organize the discussion in the lectures. There will be a blocked seminar with presentations of related behavioral papers (by **Ph.D. students**).

Grading: 👍 Presence and active participation in classes (necessary prerequisite for passing)

👍 Presentation (Ph.D. students) or Exam (master students) (100%)

Prerequisites: Basic economic thinking (micro-economics) and standard game-theoretic concepts. In case you do not feel comfortable with concepts like Nash equilibrium, sub-game perfect equilibrium, Bayesian equilibrium or perfect Bayesian equilibrium, you should refresh your knowledge by reading a standard textbook on game theory (our recommendation would be: Gibbons, Robert (1992). *A Primer in Game Theory*, Prentice Hall).

Literature

Muthoo, A. (1999). *Bargaining Theory with Applications*. Cambridge University Press.

Several papers for the seminar part that were announced after selection.

Econometric Evaluation of Education Policy

Professor/Lecturer	Ludger Wößmann & Marc Piopiunik
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics
Hours/week	2+2
Exam	Written Exam (120 min)
Cycle	WS2015/16
ECTS-Points	6
Language	English
Prerequisites	Econometrics knowledge at level of MSc course; Experience in working with Stata; Willingness to conduct own empirical research

Syllabus/Course Outline

This Ph.D. course, which is open for advanced Master students, is not a traditional lecture course, but rather a reading-&-paper course. The main part of the course is that each participant develops her/his own applied paper project, and the main course requirement is not a traditional exam, but instead a term paper that should look like the first draft of a small empirical paper, plus a presentation.

The course is devised to ensure that participants learn about education policy, about evaluation methods, and about (the reality of) how to do applied research. At the same time, it tries to convey the enjoyment of doing economic research and requires participants to be creative and productive. Even though it is fun to do sound research, it also requires (a lot of) work; thus, participants are expected to work on the topic throughout the semester, not just in preparing an exam.

After a brief introduction on research methods for empirical identification and on selected hot topics in the economics of education, the main part of the course consists of sessions to discuss papers that everyone has read in advance and of sessions where everybody presents and discusses his/her ongoing paper project, new ideas and practical problems that turn up while working on it. The specific topics covered in the course will partly be endogenous to the specific interests expressed by participants.

Literature

No textbook
Various papers

Advanced Seminar in Empirical International Trade

Professor/Lecturer	Daniel Baumgarten
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics; Macro and International Economics
Hours/week	4+2
Exam	Term Paper (45.000), Presentation (30 min)
Cycle	WS2015/16
ECTS-Points	12
Language	English
Prerequisites	

Syllabus/Course Outline

The aim of the course is to introduce graduate students to the empirics of international trade and to equip them with the necessary skills to conduct own empirical projects in this field.

The course consists of two parts.

The first part of the course (which roughly lasts for the first half of the semester) is held in typical lecture-style (4h per week) and will introduce students to the different topics covered in the course. We also plan for one or two Stata sessions to get everybody acquainted with the software and some of the empirical methods.

In the second part of the course, students independently conduct their own empirical projects. Typically, this means replicating a study published in a leading journal and providing a reasonable extension. Students summarize their findings in a term paper and present them in class.

Course outline (tentative):

1. Introduction
2. Tests of the Heckscher-Ohlin model
3. Tests of the Ricardian model
4. The gravity equation
5. Firm-level trade empirics
6. Assorted topics (time permitting)
 - a. Trade and economic growth
 - b. Trade and the labour market

Literature

The course is not based on a specific textbook, but on original journal articles. Detailed references are given in the syllabus, which is available on the course website and in the LSF Depot.

Recent Advances in monetary economics

Professor/Lecturer	Gerhard Illing & Sebastian Watzka
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics
Hours/week	4+2
Exam	Term Paper (45.000), Presentation (30 min)
Cycle	WS2015/16
ECTS-Points	12
Language	English
Prerequisites	Participants need to be familiar with <u>modern textbook models of "Monetary Theory"</u>

Syllabus/Course Outline

Topics:

1. Zero Lower Bound and optimal policy
2. Secular stagnation
3. Financial frictions and financial stability
4. Debt and deleveraging
5. Sovereign Debt and Default
6. Fiscal policy in a currency union

Literature

Gali 2008, Walsh 2010, Woodford 2003, Illing "Money – Theory and Practise"

Health Economics

Professor/Lecturer	Volker Meier
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics
Hours/week	4+2
Exam	Term Paper (45.000), Presentation (30 min)
Cycle	WS2015/16
ECTS-Points	12
Language	English
Prerequisites	Public Economics

Syllabus/Course Outline

- Demand for health over the lifecycle: deficit accumulation vs health capital model.
- Optimal health insurance contracts
- Regulation of compensation of health care providers
- Political economy of public health insurance

Literature

Dalgaard, C.-J. and H. Strulik (2014). "Optimal Aging and Death: Understanding the Preston Curve", *Journal of the European Economic Association* 12, 672-701.

Dalgaard, C.-J. and H. Strulik (2015). "The Economics of Health Demand and Human Aging: Health Capital vs Health Deficits", Working Paper, University of Göttingen.

Boone, J. (2014). "Basic versus Supplementary Health Insurance: Moral Hazard and Adverse Selection", CentER Discussion Paper No. 2014-059, Tilburg University.

Ellis, R. P., S. Jiang and W. G. Manning (2015). "Optimal Health Insurance for Multiple Goods and Time Periods", *Journal of Health Economics* 41, 89-106.

Schottmüller, C. (2013). "Cost Incentives for Doctors: A Double-Edged Sword", *European Economic Review* 61, 43-58.

Kifmann, M. (2005). "Health Insurance in a Democracy: Why Is It Public and Why Are Premiums Income Related?", *Public Choice* 124, 283-308.

Nuscheler, R. and K. Roeder (2015), "Financing and Funding Health Care: Optimal Policy and Implementability", *Journal of Health Economics* 42, 197-208.

Advanced Contributions to Innovation and Copyright Economics Research

Professor/Lecturer	Müller-Langer
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction
Hours/week	4+2
Exam	Term Paper (45.000), Presentation (30 min)
Cycle	WS2015/16
ECTS-Points	12
Language	English
Prerequisites	

Syllabus/Course Outline

We aim to achieve a better understanding of recent advances in innovation economics research with a special focus on copyright economics. In a term paper, participants will analyze a recent paper (henceforth, main paper) that was published in a top journal or presented at a renowned conference, respectively. Participants are expected to pro-actively search for further literature on the topic of the main paper. The following questions shall serve as guidelines for the term papers: What is the scientific contribution of the main paper? How do the authors derive their research hypotheses? What is the underlying economic theory? Which data and methods are used? What is the identification strategy? What are the implications for science and policy?

In addition to writing a term paper, participants will either give a presentation on the main paper (presenter) or comment on the main paper (discussant). The presenter shall aim at a positive assessment of the main paper in terms of originality, methods used and policy implications. The discussant shall focus on constructive criticism and potential flaws of the main paper. The aim of this debate is to trigger a lively discussion among all participants (ca. 10 to 15 minutes). Presenters as well as discussants shall briefly introduce the related literature. The presenter shall provide a general overview and focus on the main paper's contribution to the literature. In contrast, the discussant shall focus on the main differences between the main paper and related literature. Presentations, discussions and discussions among all participants (in total, ca. one hour per main paper) will take place at the Max Planck Institute for Innovation and Competition on Friday 16 October 2015 and Saturday 17 October 2015. Participants are expected to read all main papers.

Literature

No textbook
Various papers