

<b>Module Code</b>	ECS3001
<b>Module Title</b>	Advanced Microeconomics
<b>Level</b>	6
<b>Credit</b>	30
<b>Owning Subject</b>	Economics
<b>Level Restrictions</b>	

### **Aims**

This module aims to provide students with the essential tools to present advanced economic problems. In the first part of the module, we will explore the role of the information in Economics. We will analyse the effect of asymmetric information and uncertainty in different economic situations such as contracts, prices, etc. Also, we will study the phenomena of adverse selection and moral hazard. The second part of the module will be devoted to a review of the basic concepts of Game Theory, as well as an introduction to coalitions and bargaining theory. The course will combine analytical rigor with intuitive and applicable references to the real world.

### **Learning Outcomes**

#### Knowledge

On completion of this module the successful student will be able to:

1. Evaluate the consequences of the different alternatives to select the best options given the objectives.
2. Assimilate the necessary concepts to analyse the economic models.
3. Analyse the behaviour of economic agents with incomplete information.

#### Skills

The module will call for the successful student to demonstrate:

4. a capacity to identify and anticipate relevant economic problems related with the allocation of resources;
5. an ability to apply quantitative and qualitative tools to solve economic problems;
6. aptitude to take decisions under uncertainty and show an innovative and enterprising spirit.

### **Syllabus**

- Strategic Behaviour and efficiency
- Choice under uncertainty
- Basic model of contract theory. Optimal contract.
- Moral hazard. Continuous effort.

- Adverse Selection. Principals' competition.
- Review of basic concepts in Game Theory. Nash equilibrium. Subgame Perfect Nash equilibrium. Mixed Strategies.
- Static Games with incomplete information. Bayesian Nash Equilibrium.
- Cooperative Games. Coalitions and negotiation games.

### **Learning, Teaching and Assessment Strategy**

Main content of the module will be delivered via weekly two-hour lecture session. Concepts and theories related to microeconomics at an advanced level regarding information in economics, contract theory and game theory will be explained during the lectures. Seminars are used to develop theoretical understanding and policy implications, related to business and economic analysis. The seminars also serve the purpose of helping students develop their communication and presentation skills. Students are expected to attempt the seminar questions before attending the class. Summative short quizzes of 15 minutes duration will be conducted at regular intervals throughout the year during lecture or seminar sessions. This will form part of the learning and teaching as students will get into the habit of revising their learning materials at bitesize whilst clearing up any doubts about the materials that has been covered with the immediate feedback given to them straight after the quizzes.

#### Assessment Scheme

##### Formative Assessment

The formative assessment is an integral part of the teaching and learning process. It addresses all the learning outcomes, 1 to 6 and consists of presentations and debates of study outcomes and assignments in one-hour weekly seminars where students can practise their communication, presentation and analytical skills. Feedback on students' work and queries will be given during every seminar session or office feedback hours.

##### Summative assessment

1. Weeks 1-9: Quizzes once every three weeks, each worth 5%, to assess learning outcomes 1, 2, & 4.
2. Week 12: In-class test, worth 20%, to assess learning outcomes 1, 2 & 5.
3. Weeks 13-21: Quizzes once every three weeks, each worth 5%, to assess learning outcomes 3, 5 & 6.
4. An unseen examination, worth 50%, consists of a mixture of essay and problem based questions and assesses learning outcomes 1 to 6.

An overall grade of 40% or better is required to pass the module.

#### **Assessment Weighting**

Quizzes: 30%; In-class test: 20%; Examination: 50%

## Exam Duration

Examination, 2 hours

## Learning Materials

Your online reading lists can be accessed from the My Study area of UniHub. They highlight essential and recommended reading for all modules you are registered on.

### MODULE RUNS

<b>Module Leader</b>	<b>Future Academic Year</b>	<b>Term</b>	<b>Campus</b>	<b>Part of Term</b>	<b>Start/End Dates</b>	<b>Max Nr of Students</b>
Ismael Rodriguez-Lara	2018/2019	Autumn	HEN-Hendon Campus	AY-Academic Year	12-OCT-18 / 03-MAY-19	199
Ismael Rodriguez-Lara	2019/2020	Autumn	HEN-Hendon Campus	AY-Academic Year	07-OCT-19 / 11-APR-20	199
Ismael Rodriguez-Lara	2020/2021	Autumn	HEN-Hendon Campus	AY-Academic Year	05-OCT-20 / 09-APR-21	199
Ismael Rodriguez-Lara	2021/2022	Autumn	HEN-Hendon Campus	AY-Academic Year	05-OCT-21 / 09-APR-22	199
Ismael Rodriguez-Lara	2022/2023	Autumn	HEN-Hendon Campus	AY-Academic Year	03-OCT-22 / 10-APR-23	199