

Economics

Lecturer: Ing. Daniel Münich, PhD., CERGE-EI, Charles University Prague, Czech Republic
Prof. Dr. Wolfgang Cezanne, University of Technology, Cottbus, Germany
Prof. Dr. Günter Gabisch, University of Göttingen
Prof. Dr. Horst Günter, Technical University Braunschweig, Germany
Prof. Dr. Wolfgang Maennig, University of Hamburg, Germany
Prof. Dr. Celestino Suárez Burguet, University of Jaume I, Castellon, Valencia/ici, Spain

Microeconomics

Course Objectives

The course gives a foundation in microeconomics, primarily to those without a significant background in the subject. It is suitable for those who wish for a single course covering the basic analytic framework. The course covers standard micro theory at the introductory/intermediate level. Extensions are added to enhance understanding of empirical and policy issues.

Knowledge and skills after completing the course

By the end of the course students should have knowledge of the economics of consumer, understand the economic underpinnings of the behaviour of firms, and be able to use basic game theoretical tools. Based on the acquired knowledge students should be able to:

- discuss various economic issues,
- apply analytical framework developed in the course to real issues,
- follow current economic debates, and
- read economic policy literature.

Course format and teaching methods

The course combines lectures and textbook reading with Internet-based learning methods. Online components of the course are operated in WebCT environment, and accessible via internet through <https://oliva.uhk.cz> by common internet browsers. No special software is needed. The online content provides:

- " guidance through the course;
- " additional material not provided in the textbook;
- " self-tests and chapter and stage quizzes;
- " communication tools like e-mail and discussion groups;
- " glossary, calendar, grades sheet, users notes, and other.

Regular feedback to students is provided via e-mail and discussion groups by teaching assistants (TA). Assigned TA provides study guidelines, monitors student's study progress, explains difficult topics, grades quizzes, and provides ad-hoc advices in case of technical problems. Students communicate with their TAs using internal WebCT e-mail account.

The course starts by a 60 minute introductory session with the lecturer and the teaching assistants at IPFM. During the session, students are instructed how to access the on-line course and how to operate it. The on-line course is organized according to chapters in the main textbook. Students are recommended to proceed at the average pace of one chapter per week (requiring about 6-8 hours of study time per week depending on student's background in the field). Students are expected to spend on average 12 weeks to complete the course. Tentative schedule is following:

Getting familiar with the course: 1 week

Consumer theory: 3 weeks

Theory of firm: 2 weeks

Game theory: 2 weeks

Optional stage: 4 weeks

Final grade will be awarded by the lecturer based grades from stage-quizzes (90%) and on student's involvement in discussion groups (10%). Each chapter is concluded by a chapter quiz. Students have three attempts to pass each chapter quiz. Each stage is concluded by a stage quiz. Stage quiz is made available to a student only if he/she reached at least 75% of points in stage specific chapter quizzes.

Integration of Theory with Practice; Relationship with other Courses

Microeconomics is a major component of the analytical toolkit used by economists in academia, corporate and financial sector, consulting, and public policy administration. This course makes an effort to show students how theoretical economic models can be used to understand real-life issues. As a course obligation, students make postings to online discussion groups. Discussion topics are taken from the real world and are closely related to the concepts studied in the course.

Course content

Course content is based on the primary textbook A. Schotter: Microeconomics

Mandatory stages:

- Consumer (ch. 2, 3, 4)
 - Firm (ch. 5, 6)
 - Introduction to game theory (ch. 7)
- One of following optional stages:
- Monopoly, its regulation, and emergence of oligopoly (ch. 9, 10, 11)
 - Perfectly competitive markets (ch. 12, 13, 15)
 - Economics of uncertainty, incentives, and information (ch. 14, 16)
 - Externalities and public economics (ch. 17, 18, 19)

Exam

Regularly written exam. In addition written homework and presentation.

Reading list

A. Schotter: Microeconomics (3rd edition), Addison-Wesley, 2000.
 Baumol, W. J., Blinder, A. S., Economics Principles and Policy (7th edition), Dryden Brace Jovanovich, 1997.
 Estrin, S., and Marin, A., Essential Readings in Economics, Macmillan, 1995.
 Frank, R. H., Microeconomics and Behaviour (5th edition), McGraw-Hill, 2003.
 Hamermesh, D. S., Economics is everywhere, McGraw-Hill, 2003.
 Katz, L., and Rosen, H. S., Microeconomics, Third Edition, Irwin, McGraw Hill, 1997.
 Mankiw, N. G., Principles of Economics (2nd edition), Dryden, 2001.
 Varian, H., Intermediate Economics (6th edition), Norton, 2003.

Macroeconomics

Course Objectives

The course stresses macroeconomic topics in so far as strategic business decisions have to take the macroeconomic environment into account. The participants acquire a basic knowledge of macroeconomic problems and policy concepts. At the end of the course the participants have to apply their knowledge within a strategic simulation game of a European economy - EUROSIM.

Knowledge and skills after completing the course

The participants will be able to take macroeconomic issues into account while making strategic managerial decisions.

Course format and teaching methods

The course will be conducted partly as a lecture and partly as a seminar. After having acquired the basic theoretical explanations the participants will apply them in a strategic computer based simulation model of a European economy, i.e. EUROSIM.

Integration of Theory with Practice; Relationship with other Courses

1. For strategic managerial decisions it is important to know how the Central Bank and the Government may change the macroeconomic environment. Hence the participants learn about the structure of the European Central Bank, its monetary policy concept, and about the possibilities of a government to carry out economic policy.
2. There exist direct relationships to the course on "International Economics". Both courses deal with international macroeconomic problems each under a different point of view.

Course content

European System of Central banks

- structure
- task
- independence

Definitions of Money

Money creation

- by the Central Bank
- by private banks

Open Market Operations

Concepts of monetary policy

Stabilization policy

Equilibrium and unemployment

Demand management

International aspects

- System of Bretton Woods
- European Monetary Union

EUROSIM - strategic simulation game

Exam

Regularly written exam. In addition written homework and presentation.

Reading list

Samuelson, A.,P., Norhaus ,W.,D.: Economics, McGraw-Hill 1995, ISBN: 0-07-054981-8.
Samuelson, A.,P., Norhaus ,W.,D.: Economics=Volkswirtschaftslehre, Ueberreuter 1998, ISBN: 3-7064-0415-X.
Mankiw, N. G.: Grundzüge der Volkswirtschaftslehre, Schärffer-Poeschel, Stuttgart 1999, ISBN: 3-7910-1458-7.
Mankiw, N. G.: Principles of Economics, Dryden Press 1998, ISBN: 0-03-098238-3.
Parkin, M., D. King: Economics. Addison-Wesley, Wokingham, England et al. 1992, ISBN 0-201-41611-5.
Burda, M.C., CH. Wyplosz.: Makroökonomik. Vahlen, München, ISBN 3-8006-1807-9.
Gärtner, M.: European Macroeconomics. Prentice Hall, London et al., ISBN 0-13-268897-2.

International Economics

Course Objectives

The goal of this course is to develop a consistent and comprehensive analysis of the main international economic problems. By combining theory with current events and policy debates, the course emphasizes how to approach and understand the basic forces influencing world economic relations.

Knowledge and skills after completing the course

A better understanding of the international economic framework in which trade and financial relation of firms take place.

Course format and teaching methods

Lectures (10) covering the basic analytical framework of a short course in International Economics. Discussions related to the topics presented aim to integrate the theoretical approach with a more practical and business orientated. Real trade and financial problems are discussed applying the tools developed in the lectures. A wide use of graphics should allow students to rationalize and intuitively understand many of the results coming from quite elaborated economic models.

Integration of Theory with Practice; Relationship with other Courses

A theoretical background in international economics (trade and finance) is applied to real business cases in order to analyze the most important implications for firms of being operating in a global setting. As far as it is possible students should be able to translate analytical tools and instruments to day to day strategic decisions of firms and institutions, taking account of limits and conditions imposed by a government and supranational framework.

The study of international economics requires a basic knowledge of micro and macroeconomic principles, representing in fact a continuation of them in the sense that they extend the analysis to a wide range of economic relation among countries. This course cannot cover all the complexities of today financial markets, so the course on International Finance will develop more applied aspects of these operations. In the field of external foreign trade strategies by firms, topics on international marketing techniques are the logical extension of the macroeconomic orientation of this course.

Course content

International trade theory and policy: Trade models, tariff protection and arguments for restricting free trade. Balance of payments and national accounts: Basic concepts in open economy macroeconomics. Exchange rates and foreign exchange markets: Purchasing power parity in exchange rates and interest rates and futures markets. Regional integration and multilateral trade liberalization: The European experience. Multinationals and foreign direct investment.

Exam

Regularly written exam. In addition written homework and presentation.

Reading list

Chacholiades, M. (1990), International Economics, McGraw-Hill, New York.
Husted, S. & M. Melvin (1998) International Economics, 4th edition, Addison-Wesley, New York.
Krugman, P. & M. Obsfeld (2000), International Economics. Theory and Policy, 5th edition, Addison-Wesley, New York.
Lindert, P. (1991), International Economics, 9th edition, Irwin, Homewood, Illinois.
Södersten, B. & G. Reed (1994), International Economics, 3rd edition, Macmillan, London.