

Department of Economics
Courses held in English – Winter Semester 2004/05

I. Grundstudium

Mikroökonomik II

Vorlesung

Kirchkamp, Oliver

Die Veranstaltung am Montag findet in englischer Sprache statt.

Mo wtl13.45-15.15 18.10.2004-14.02.2005

A 3, 001

Di wtl08.30-10.00 19.10.2004-15.02.2005

A 3, 001

Voraussetzung: Mikroökonomik I

Inhalte und Ziele: Marktmacht, Monopol und Monopson; Preisgestaltung bei Marktmacht; Monopolistischer Wettbewerb und Oligopol; Unsicherheit; Spieltheorie; Märkte für Inputfaktoren; Märkte mit asymmetrischer Information

Literatur:

Pindyck, Robert S. und Rubinfeld, David L. (Fifth Edition, 2001): Microeconomics, Prentice Hall.

Varian, H. (2000): Grundzüge der Mikroökonomik, Oldenbourg, 5. Auflage

Frank, R. H. (2000): Microeconomics and Behavior, New York, McGraw Hill, 4. Auflage

Im Internet: <http://www.kirchkamp.de/mikro2/>

II. Hauptstudium

Strategisches Handeln in Wirtschaft und Politik I

Vorlesung

Stahl, Konrad

Mo wtl17.15-18.45 18.10.2004-14.02.2005

L 7, P044

Do wtl17.15-18.45 21.10.2004-17.02.2005

L 7, P044

SIZE: Lecture Course, 4hrs.

FIRST CLASS: Monday, October 18

TIME AND LOCATION: Monday, 17.15 - 18.45, P 044;
Thursday, 17.15 - 18.45 P 044

OFFICE HOURS: Monday 13.30 - 14.30 or by appointment (ph. 1880)

ADRESSEES:

The course is part of the course sequence under the same title, as well as of the elective in business studies entitled "Information and Competition". First and second year doctoral students are especially welcome.

PREREQUISITES.

Microeconomics I - III or equivalent.

LEISTUNGSNACHWEISE:

The grade for the course is based on active participation in class (20%), the solution of weekly problem sets (30%) and a final (50%).

Doctoral students will receive a separate exam.

CONCEPT OF THE COURSE SEQUENCE:

The analysis of a real life strategic planning problem necessitates the reduction of the problem to its essentials. The course is designed to equip the student with the tools relevant for the analysis of such strategic problems at the level of the firm, as well as the level of an industry which typically is the relevant level for the analysis of regulatory and competition policy. Emphasis is placed not only on the reception of existing models but also on the generation of new ones that are appropriate for the analysis of specific real life problems. In contrast to the presentation of recipes, the course is intended to present approaches to micro and game theoretically based generic thinking about solutions to strategic problems.

Towards this, I have developed, together with Prof. Dr. Wilhelm Rall, McKinsey & Co, a new case study based interactive teaching concept that does not end with the student's understanding of the many existing modelling approaches, but continues with the development of specific models intended to give specific answers to specific strategic planning problems taken from current consulting experience.

The course sequence consists of three blocks. The present lecture course; a 2 hr. seminar; and an interactive 4 hr. case study course held in the summer semester.

More specifically, in the block seminar held at the beginning of the summer semester we ask the student to explain carefully selected case data with the theory discussed in the present course. In the ensuing case study course in the summer semester the student is challenged with the development of new modelling approaches. Towards this, we present a sequence of cases from different industries. For instance, this year's course involved cases from the automotive, tourism, public transit and chemical industries. We will form teams of students, each of which will competitively develop answers to two strategic questions raised at the end of each case presentation. The first question will involve a decision problem for a key industrialist in the relevant industry; and the second one a regulatory or competition policy decision problem for that industry.

The current course is designed to lay the foundations for his type of analysis. In particular, I will develop concisely the theoretical approaches to the analysis of problems of firms and manufacturing as well as service industries, and will review empirical approaches towards this analysis. You will internalize these approaches working on many problem sets.

LITERATURE:

The course is based on material from three texts:

- Cabral, L.M. (2000): Introduction to Industrial Organization, Cambridge, Ma: MIT Press (abbreviated "C")
- Church, J. und R. Ware (2000): Industrial Organization. A Strategic Approach, New York: McGraw-Hill (C&W)
- Tirole, J. (1989): The Theory of Industrial Organization, Cambridge, MA: MIT Press (T), German translation Oldenbourg (1994)

Tirole will be a key reference text for the summer semester course.

Doctoral students will obtain additional material, in the form of published, and recent unpublished papers.

N.B.: the course will be held in German language only upon consent of all students actively taking it.

SYLLABUS:

The syllabus is only suggestive, as the intensity and depth of treatment especially of the background material in micro and game theory will react to the actual students' needs. The reference in italics is the key one, the other references are recommended.

October 18 + 21: Review of Basics in Microeconomics: Welfare Theory, Theory of the Firm, Monopoly Theory, C. Ch's 3, 5; T. Introduction, Ch. 1; C&W, Ch.'s 1-4.

October 25 + 28: Review of Static Game and Oligopoly Theories, C. Ch's 4, 7, T. Ch.11.1-11.3, 5.1-5.4; C&W, Ch's 7, 8.

November 1 + 4: Dynamic Game and Oligopoly Theories, C. Ch. 8, T. Ch. 11.4-5; C&W. Ch's 9. 10.

November 8 + 11: Identification and Measurement of Market power, C. Ch. 9; C&W. Ch. 12, T. Ch. 5.5

November 15 + 18: Non-linear Pricing, Product Quality, C. Ch 10, T. Ch.3; C&W. Ch's 5, 6.

November 22 + 25: Vertical Relations, C. Ch. 11; T. Ch. 4; C&W, Ch. 22.

November 29 + December 2: Product Differentiation, C. Ch. 12; T. Ch's 2, 7; C&W. Ch. 11;

December 6 + 9: Advertising, C. Ch. 12; T. Ch's 2, 7; C&W. Ch. 17.

December 13, 16 + 20: Entry and Exit, C. Ch. 14; T. Ch. 8; C&W. Ch's 13, 14.

January 3 + 6: Entry Barriers, C. Ch. 15; T. Ch. 9; ; C&W. Ch's 13, 14.

January 10 + 13: Research and Development, C. Ch. 16; T. Ch. 10; C&W. Ch. 18.

January 17 + 20: Networks, Standards, Compatibility, C. Ch. 17, T. Ch. 10.6; C&W. Ch. 26.3;

January 24 + 27: Theory of Competition Policy I: C&W. Ch's. 19, 20

January 31 + February 3: Theory of Competition Policy II: C&W. Ch's 21, 23

February 7 + 10: Theory of Regulation I: C&W. Ch. 24, 25

February 14 + 17: Theory of Regulation II: C&W. Ch. 26

Course title: Strategisches Handeln in Wirtschaft und Politik I

Instructor: Prof. Konrad Stahl, Ph. D.

Method (hours per week): lecture (4)

Examination: final exam, problem sets, class participation

ECTS-Credits: 9

Course description: The analysis of a real life strategic planning problem necessitates the reduction of the problem to its essentials. The course is designed to equip the student with the tools relevant for the analysis of such strategic problems at the level of the firm, as well as the level of an industry which typically is the relevant level for the analysis of regulatory and competition policy. Emphasis is placed not only on the reception of existing models but also on the generation of new ones that are appropriate for the analysis of specific real life problems. In contrast to the presentation of recipes, the course is intended to present approaches to micro and game theoretically based generic thinking about solutions to strategic problems. For further details see above.

Contact person: Prof. Konrad Stahl, Ph. D., Tel. 181-1875, kos@econ.uni-mannheim.de

Seminar zu Strategisches Handeln in Wirtschaft und Politik

Seminar
Do 15.30-17.00 04.11.2004

Stahl, Konrad
Rall, Wilhelm

L 7, 3-5
P043

TIME AND LOCATION: Block Seminar at end of Semester,
alternatively Feb 4 and 5, or 11 and 12, 2005

ORGANISATIONAL MEETING Thursday, Nov 4, 15.30, Room P043

OFFICE HOURS Stahl: tba; Rall: tba

ADRESSEES:

The seminar is part of the course sequence under the same title, as well as part of the elective in business studies under the title "Information and Competition". First and second year doctoral students are especially welcome.

PREREQUISITES:

Micro Economics I-III
Strategic Action in Business and Government (SABG) I.

GRADES:

Presentation (30%)
Class Participation (30%)
Paper (40%)

CONCEPT:

The seminar serves the purpose to bring the theory developed in SABG I to selected data. Last year, we have introduced five subject areas. In each subject area (net of subject area 1 where students were asked to find the evidence themselves) we presented case evidence developed at the McKinsey research office. The students were asked to relate this evidence to the theories developed in SABG I.

The following topics were discussed:

1. Rationalising the Deutsche Bundesbahn's Pricing Structure
2. Product Positioning and Pricing of Chocolate Bars
3. Brand Positioning of Automotive Producers
4. Pre-Merger Strategic Behaviour in the Chemical Industry
5. Pricing of Exotic Car Models in the Automotive Industry

Two students were given one topic.

This year's selection of topics will be announced at the organizational meeting.

Course title: Seminar zu Strategisches Handeln in Wirtschaft und Politik

Instructors: Prof. Konrad Stahl, Ph. D., Prof. Dr. Wilhelm Rall

Method (hours per week): seminar (2)

Prerequisites: Mikroökonomik I - III, Strategisches Handeln in Wirtschaft und Politik I & II

ECTS-Credits: 6

Course description: The seminar serves to relate predictive results from the theory of industrial organisation to actual behavior. Towards this the students receive detailed case material. They will search for models leading to an explanation of behaviour observed in the case material.

Contact person: Prof. Dr. Konrad Stahl, Tel. 181-1875, kos@econ.uni-mannheim.de

Literature Seminar - Intellectual Property Rights

Blockseminar
vor Beginn des Sommersemesters 2005

Stahl, Konrad
Müller, Elisabeth

ZTIME AND LOCATION: Block Seminar; before start of summer semester (April 2005)

ORGANISATIONAL MEETING: Monday, Nov 8, 15.30, Room L7, 147

OFFICE HOURS: Stahl: upon arrangement; Müller: upon arrangement

ADRESSEES:

The seminar is part of the field "Applied Microeconomics" for economics students, and of "Information and Competition" for business students. First and second year doctoral students are also welcome to attend.

PREREQUISITES:

Micro Economics I-III

GRADES:

Presentation (30%), Class Participation (30%), Paper (40%).

CONCEPT:

This will be a pure literature seminar. Depending on the number of students, we will form study groups that will work on clusters of related papers. The study groups will present collectively their work within a block of two days (date tba). In lieu of a paper discussing the material, (doctoral) students are asked to write a referee report on one of the papers discussed in their study group.

Topics:

- 1) Optimal patent length and breadth with discrete innovations
- 2) Optimal patent length and breadth with cumulative innovations
- 3) Patent pools
- 4) The patent paradox
- 5) Patenting versus secrecy
- 6) Value of patents
- 7) Should software patents be allowed in the EU? - Patent law in the current political discussion

Course title: Literature Seminar - Intellectual Property Rights

Instructors: Prof. Konrad Stahl, Ph. D., Elisabeth Müller

Method (hours per week): seminar (2)

Prerequisites: Microeconomics I - III

ECTS-Credits: 6

Course description: In this literature seminar we will read and discuss articles focusing on intellectual property rights. Both empirical and theoretical articles will be covered. The following topics are included: optimal patent length and breadth, patent pools, the patent paradox, patenting versus secrecy, value of patents, software patents in the EU.

Contact persons: Prof. Konrad Stahl, Ph.D., Tel. 181-1875, kos@econ.uni-mannheim.de;
Elisabeth Müller, Tel. 1235 - 383, mueller@zew.de

Topics in Labor Economics

Vorlesung

Weiss, Matthias

Die Vorlesung findet in Englisch statt.

Mi wtl10.15-11.45 20.10.2004-16.02.2005

L 7, P043

Course title: Topics in Labor Economics

Instructor: Dr. Matthias Weiss

Method (hours per week): lecture (3)

Prerequisites: Vordiplom

Examination: written exam of 135 min, oral presentation

ECTS-Credits: 7

Course description: This lecture covers current research issues in labor economics.

Prerequisites include intermediate microeconomics and econometrics and the lecture "Labor Economics" by PD Dr. Friedhelm Pfeiffer or equivalent prior knowledge. Topics discussed include theories of wage determination, contract theories, skill bias in labor demand, static and dynamic labor supply models, human capital and evaluation of active labor market programs. Particular emphasis is on the interaction of theoretical and empirical modelling and its relevance for economic policy. A specific topic is introduced at the text book level (such as Franz, 2003, Hamermesh, 1993, or Layard/Nickell/Jackman, 1991). The students in the course will learn to understand and critically discuss current research papers and reports in the area of labor economics. For further information see http://www.vwl.uni-mannheim.de/ls_oek/AktuellesSemester_index.htm. Participants: Doctoral students, advanced students in economics and social sciences.

Contact person: Dr. Matthias Weiss, MEA, L 13, 17, room 418, Tel.: 181-1871, eMail: weiss@mea.uni-mannheim.de

International Monetary Relations

Vorlesung

Schröder, Jürgen

Mo wtl10.15-11.45 18.10.2004-14.02.2005

L 7, P043

Course Outline:

1. The Fundamentals of Money: National and International
2. The Gold Standard
3. Experience with Fixed Exchange Rates after World War Two
4. Why Fixed Exchange Rate Systems Collapse
5. The Exchange Rate System without Commitment
6. Modelling Nominal and Real Exchange Rate Variability
7. The Exchange Rate and Ricardo's Equivalence Theorem
8. Governments and the Exchange Rate Markets
9. Conditions for International Monetary Reform

Course title: International Monetary Relations

Method (hours per week): lecture (2)

Examination: written, 90 min.

ECTS-credits: 5

Course description: The aim of this course is to provide students with an analysis of the theory of international monetary relations. The course deals with the role of international capital movements in different international monetary systems. It will be analyzed why fixed exchange rate systems have the tendency to collapse and why in a system of flexible exchange rates the nominal exchange rate can overshoot. Determinants of the real exchange rate will be discussed. The original sin as well as the conflicted virtue in international monetary relations will be analyzed. The costs and benefits of exchange rate variability will be discussed.

Contact person: Dipl.-Vw. Makram El-Shagi, Tel. 181-1803, elshagi@rumms.uni-mannheim.de, L 7, 3-5, 2nd Floor, Room 2.31, consultation: on appointment

Föderalismus und Steuerwettbewerb

Vorlesung

Janeba, Eckhard

Mo wtl09.30-11.45 18.10.2004-14.02.2005

L 7, P044

Course title: Föderalismus und Steuerwettbewerb

Instructor: Prof. Dr. Eckhard Janeba

Method (hours per week): lecture (3)

Course language: English on demand

Prerequisites: Vordiplom

Examination: written, 135 min.

ECTS-Credits: 7

Course description: This course deals with issues in fiscal federalism, such as the interaction between regional governments within a federation, as well as between central and regional governments. Particular emphasis is given to intergovernmental grants and tax competition (vertical and horizontal), where fiscal decisions of governments are interdependent through the mobility and overlap of tax bases in the form of cross-border shopping, capital mobility or labor migration. The course starts with an overview of institutional arrangements (deutscher Finanzausgleich, EU), which is followed by identification of the main conceptual issues and questions (e.g., which level of government should collect what type of taxes and provide which service?). In the main part of the course the fundamental findings of the theoretical and empirical literature are presented and discussed. Students are expected to read original articles supplementing lectures.

Contact person: Prof. Dr. Eckhard Janeba, Tel. 1795, e-Mail: janeba@rumms.uni-mannheim.de, L7, 3-5, room 2.29

Korruption, Schattenwirtschaft und der Öffentliche Sektor

Seminar

Janeba, Eckhard

Mo wtl13.45-15.15 18.10.2004-14.02.2005

L 7, P043

Course title: Korruption, Schattenwirtschaft und der Öffentliche Sektor

Instructor: Prof. Dr. Eckhard Janeba

Method (hours per week): seminar (2)

Course language: English on demand

Prerequisites: Vordiplom, strong interest in public finance

Examination: presentation, paper, participation

ECTS-Credits: 6

Course description: This seminar is concerned with corruption in the public sector, the size, cause and consequences of the shadow economy, and the rivalry between state institutions and the mafia. Students write papers on specific topics and based on original literature, which comprises articles with a conceptual, theoretical and empirical focus (or combinations thereof). Topics are often but not always related to experiences in developing countries or transition economies. Students are expected to participate actively in class.

Contact person: Prof. Dr. Eckhard Janeba, Tel. 1795, e-Mail: janeba@rumms.uni-mannheim.de, L7, 3-5, room 2.29

Währungspolitik

Vorlesung

Vaubel, Roland

Mi 14-tgl13.45-15.15 27.10.2004-16.02.2005

L 7, P043

Fr wtl10.15-11.45 22.10.2004-18.02.2005

L 7, P043

Es ist geplant, die Veranstaltung in englischer Sprache zu halten.

Course title: Währungspolitik

Instructor(s): Prof. Dr. Roland Vaubel

Method, hours per week: lecture (3)

Examination: written, 135 minutes

ECTS-Credits: 7

Course description:

1. Foundations of exchange rate theory
2. Exchange rate policy and the international monetary system
3. European monetary integration
4. Official international liquidity
5. International capital movements and international debt

Contact person: Victor Winschel, Tel. 181-1817, E-mail: winschel@rumms.uni-mannheim.de, L7, 3-5, room 2-09

Advanced Econometrics

Vorlesung und Übung

Di wtl10.15-11.45 19.10.2004-15.02.2005

Di wtl13.45-15.15 19.10.2004-15.02.2005

Mi wtl10.15-11.45 20.10.2004-16.02.2005

Mammen, Enno

Hoderlein, Stefan

N. N.

L 7, P044

L 7, P044

L 7, P044

Die Veranstaltung wird in Englisch stattfinden.

Course title: Advanced Econometrics

Instructors: Prof. Dr. Enno Mammen, PD.Dr. Stefan Hoderlein, N. N.

Method (hours per week): lecture (4) + practical exercises (2)

Prerequisites: Vordiplom

Examination: written, 180 min

ECTS-Credits: 11

Course description: This course provides an up-to-date presentation of econometric methods for the analysis of cross-sectional data, time-series data and panel data at the graduate-level. The course will discuss commonly used inference methods for linear and nonlinear specifications, including linear and nonlinear regression models, Maximum Likelihood estimation, instrumental variables regression, GMM estimation, and (Quasi)-Maximum Likelihood estimation, and qualitative and limited dependent variable models. The course covers the basic asymptotic distribution theory for nonlinear estimators. In the accompanying exercise sessions, the participants will practice the use of these methods using the econometric packages TSP and Stata. Prerequisites are the content of the course "Grundlagen der Ökonometrie" (Basic Econometrics) as well as basic knowledge in matrix algebra and probability theory. For further information see <http://www.vwl.uni-mannheim.de/mammen/veranstaltungen.html>.

Contact persons: Prof. Dr. Enno Mammen, Tel. 181-1927, eMail: emammen@rumms.uni-mannheim.de, L 7, 3-5, Zi. 1.29/30; PD.Dr. Stefan Hoderlein, Tel. 181-4444, eMail: stefan_hoderlein@yahoo.com, L7, room 126.

Computational methods in econometrics

Seminar

Raum und Zeit siehe Aushang

Schunk, Daniel

Winschel, Viktor

The seminar focuses on computational methods use in economics and econometrics. Seminar topics are distributed in the first weeks of the winter semester. During the semester there will be several faculty presentations. Towards the end of the semester we will block sessions during which students will be presenting their results.

First meeting: Tuesday, Oct. 19th, L 13, 17, Room 308 - 15.15 h.

We will schedule the following meetings in this session.

Allgemeine Gleichgewichtstheorie

Vorlesung

Kübler, Felix

Mo wtl10.15-11.45 18.10.2004-14.02.2005

L 9, 215

Mi wtl10.15-11.45 20.10.2004-16.02.2005

L 9, 215

In der Vorlesung wird das klassische Arrow-Debreu Modell zur Gleichgewichtstheorie behandelt sowie das Modell mit unvollständigen Finanzmärkten. Sollte es zeitlich möglich sein, werden wir auch α -minimale Strukturen und ihre Rolle in der Gleichgewichtstheorie bearbeiten.

Die Benotung richtet sich nach Hausaufgaben.

Organizational stuff

The class is supposed to meet Mondays and Wednesdays 10.15-11.45.

I am very much opposed to moving it from this time since in previous years attempts to move the class usually resulted in chaos. However, if you really want to take this class and cannot make it at these times please let me know.

My official office hours are Tues, Thurs 11-12, but you should feel free to come by whenever you have a question about something. The easiest way to reach me before September 1st is via e-mail to my Stanford e-mail address. After September 1st my Mannheim e-mail address will be fkuebler@rumms.uni-mannheim.de.

Prerequisites

The class is open to advanced undergraduates (StudentInnen im Hauptstudium) in economics or mathematics, doctoral students and faculty. The class is designed to be relatively self-contained. But in order to get to frontiers of current research fast, it is essential that everybody in the class is familiar with basic mathematical and economic concepts.

In order to be somewhat successful in the class it is essential that you have good knowledge of basic (undergraduate) real analysis and topology (e.g. you should understand convexity and its implications for constrained optimization, know about open and closed and dense sets etc.). In case of doubt, come and talk to me.

It might also be useful to have some knowledge of microeconomic theory (e.g. at the level of Mas-Colell, Whinston, Green) but this does not strike me as that important (you should be able to read relevant sections in the book on your own, in case of doubt).

Grading

You are welcome to audit the class.

If you are taking this class for credit you have two options:

You can write a short research paper (which should either contain a small new result or a new way to prove an old result). In this case you need to tell me about it before Dec 1st. If you want I can give you an incomplete and you can finish the paper next semester. However I need to know that you are actually working on something promising.

There will be about 8 problem-sets. Instead of writing the paper you can turn in solutions to these problem-sets. I do not mind if people work in groups of 2-3 on these. In this case, they should turn in joint solutions to make grading easier for me. However, if you decide to form a study group and to turn in joint solutions, you need to stay together for all the problem-sets to make grading possible for me. The last problem-set will be slightly longer and more difficult than the others and I would ask everyone to work on them alone and turn

in his or her own solutions. If it turns out that this is not feasible in Germany because of the lack of an honor-code I will transform the last problem-set into a final exam.

Literature

There are several good books on general equilibrium theory. In the long run, it is not a mistake to buy Mas-Colell's book (General Equilibrium Theory - A differentiable approach) and Magill and Quinzii's Theory of Incomplete Markets. However, there will be typed lecture notes on the material I cover in class. In order to follow the class, you do not need any additional books.

Course outline

I am not sure how much one can cover in one semester. The class has three parts, I definitely expect to cover the first two, time permitting I would love to attack the third part, since this strikes me as the most interesting, but it is obviously more important to you grasp the basics than to move to idiosyncratic sub-fields.

The Arrow-Debreu Model

- o The Walrasian model of an economy: Efficiency, existence of an equilibrium, non-convexities, the core, production.
- o Some famous historical applications, free trade and the limits of mathematical economics.
- o Smooth exchange economies: Transversality, the pre-image theorem and Debreu's theorem.
- o The equilibrium correspondence: Properties, restrictions and identification.

Financial markets and the GEI model

- o Integrating uncertainty into the Arrow-Debreu model
- o The GEI model with one good: existence, generic suboptimality. Production.
- o Several goods - some remarks on non-existence and constrained suboptimality

O-minimal economies

- o Some basic model theory and mathematical logic
- o Basic properties of o-minimal economies: Simple proofs of existence, local uniqueness
- o Tame economies and applied equilibrium analysis

Course title: Allgemeine Gleichgewichtstheorie

Instructor: Prof. Felix Kübler, Ph.D.

Method (hours per week): lecture (4)

Prerequisites: Intermediate Micro, Intermediate Real Analysis

Examination: 8 problem-sets or research-paper

ETCS Credits: 9

Course description: This class provides an introduction into classical and modern general equilibrium theory. Starting with the classical issues of existence, efficiency, uniqueness and stability of economic equilibria, we will then move to a version of the model with incomplete financial markets.

Contact person: Prof. Felix Kübler, Ph.D.; Tel. 181-1836; e-Mail: fkubler@stanford.edu; L7, 3-5, room 3.12, office hours: Tuesday and Thursday 11-12 am

Wirtschaftstheoretisches Seminar

Seminar

Kübler, Felix

Do wtl17.15-18.45 21.10.2004-17.02.2005

L 7, P043

In dieser 2-stündigen Veranstaltung werden wir gemeinsam Kreps's kleines Lehrbuch zur Entscheidungstheorie sowie einige ausgewählte Artikel zur dynamischen Entscheidung unter Unsicherheit lesen. Teilnehmer des Seminars sind verpflichtet das jeweilige Kapitel oder den Artikel vor dem Treffen zu lesen. Das Seminar findet in englischer Sprache statt. Die Benotung richtet sich nach der Teilnahme im Seminar

Organizational stuff

This class will be somewhat of an experiment. As a student you can get credit for this class as a Seminar, but it will hopefully have little to do with a typical Seminar. The class is supposed to meet Thursdays 5.15 pm - 6.45 pm. Depending on the size of the group we can decide to move to a different day or time at the first meeting.

The first meeting will be on Thursday, October 21st. Feel free to come to this meeting even if you are not convinced that you want to be part of the group.

My official office hours are Tues, Thurs 11-12, but you should feel free to come by whenever you have a question about something. The easiest way to reach me before September 1st is via e-mail to my Stanford e-mail address. After September 1st my Mannheim e-mail address will be fkuebler@rumms.uni-mannheim.de.

On Reading Groups

I want to institute a reading group for doctoral students, advanced undergraduates and junior-faculty which meets every week and each semester chooses a topic to study.

This semester, I chose the topic, simply because this is the only way to get started. We will read a small textbook by Kreps on choice theory and some papers on dynamic choice (I list the references below). Looking at recent PhD students in theory who have been successful on the American job-market, this strikes me as a topic that's currently 'hot' and I find it interesting.

The group is open to advanced undergraduates (StudentInnen im Hauptstudium) in economics or mathematics, doctoral students and junior-faculty, but you can only be part of the group if you attend all meetings and follow the rules. The rules are Tom Sargent's and might strike you as overly harsh, but my view at the moment is that this is the only way to work productively in a group.

Rules and Regulations

Each week, one member of the group will present a chapter of a book or a paper. Everybody else needs to read the chapter or article in advance. In the beginning I will randomly call on people and ask them about the week's reading. The punishment for being unprepared or for missing a meeting will be that the person has to write a 3 page (single spaced 11 pt) summary of the week's reading.

In addition, doctoral students and faculty are required to read an additional research paper each week (this paper might or might not be related to the topic of the semester). I will also call on people to give short, 5 minute, presentations on the paper they read.

For students taking the class for credit grading will be on the basis of the presentation and class participation. But you should be aware that this is only secondary (if people participate and do the reading they'll obviously receive an A), the main purpose of the group is to learn about frontier research in fields we are interested in.

What do we read ?

Most of the semester we will be reading 'Notes on the Theory of Choice' (Underground Classics in Economics) by David M. Kreps.

You can check out the book at

<http://www.amazon.com/exec/obidos/tg/detail/-/0813375533/002-8845166-9312864?v=glance>

In order to participate you should buy a copy. In addition, time permitting, we will read the following papers.

- Kreps, D. and E. Porteus (1978), Temporal Resolution of Uncertainty and Dynamic Choice Theory, *Econometrica* 45, 185--200.
- Kreps, D. (1979) A Preference for Flexibility, *Econometrica* 47, 565--576.
- Machina, M. (1989), Dynamic Consistency and Non-expected Utility Models of Choice under Uncertainty, *JEL* 27, 1622--1668.
- Laibson, D. (1997), Golden Eggs and Hyperbolic Discounting, *QJE* 62, 443--477.
- Gul, F. and W. Pesendorfer (2001), Temptation and Self-Control, *Econometrica* 69, 1403--1436.

Course title: Wirtschaftstheoretisches Seminar

Instructor: Prof. Felix Kübler, Ph.D.

Method (hours per week): seminar (2)

Prerequisites: Intermediate Micro, Intermediate Real Analysis

Examination: none, class participation determines grade

ETCS Credits: 6

Course description: This reading group meets weekly to discuss selected reading on the theory of choice. Starting with Kreps' little textbook, we will then move to papers on dynamic choice under uncertainty.

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