

# Department of Economics

## Courses held in English – Summer Semester 2005

### I. Grundstudium

#### Mikroökonomik I

Vorlesung		Thadden, Ernst-Ludwig	
Di	wtl10.15-11.45	12.04.-12.07.2005	A 3 001
<b>Do</b>	<b>wtl10.15-11.45</b>	<b>14.04.-14.07.2005 (in English)</b>	<b>A 3 001</b>

Die Veranstaltung findet dienstags in deutscher Sprache und donnerstags in englischer Sprache statt. Sie baut auf den Kenntnissen aus der Vorlesung Mathematik A auf, die möglichst vor Mikroökonomik I besucht werden soll.

Inhalte und Lernziel: Grundlagen der Mikroökonomie: Haushaltsentscheidungen, Güternachfrage und Arbeitsangebot, Firmenentscheidungen, Produktionsangebot und Faktornachfrage, Marktgleichgewicht

Literaturhinweise: Perloff, Jeffrey M.: Microeconomics, Second Edition;  
Sydsaeter/Hammond: Mathematics for Economic Analysis

#### Mikroökonomik I

##### Übung

Mo	wtl08.30-10.00	11.04.-11.07.2005	Soylu, Ugurlu	L 7, 031
Mo	wtl13.45-15.15	11.04.-11.07.2005		L 7, 031
Di	wtl12.00-13.30	12.04.-12.07.2005	Bauner, Christoph	L 7, 001
Di	wtl17.15-18.45	12.04.-12.07.2005		L 7, 031
Mi	wtl13.45-15.15	13.04.-13.07.2005	Felgenhauer, Mike	L 9, 013
Mi	wtl17.15-18.45	13.04.-13.07.2005		L 9, 013
<b>Mi</b>	<b>wtl15.30-17.00</b>	<b>13.04.-13.07.2005 (in English)</b>	<b>Winschel, Evguenia</b>	<b>L 7, 031</b>
<b>Mi</b>	<b>wtl17.15-18.45</b>	<b>13.04.-13.07.2005 (in English)</b>		<b>L 9, 016</b>
Do	wtl12.00-13.30	14.04.-14.07.2005	Peters, Michael	L 7, 001
Do	wtl13.45-15.15	14.04.-14.07.2005		L 7, 001
Do	wtl15.30-17.00	14.04.-14.07.2005	Wolff, Malte	L 7, 001
Do	wtl17.15-18.45	14.04.-14.07.2005		L 7, 001
Fr	wtl10.15-11.45	15.04.-15.07.2005	Saß, Björn	L 7, 001
Fr	wtl12.00-13.30	15.04.-15.07.2005		L 7, 001

## II. Hauptstudium

### Strategisches Handeln in Wirtschaft und Politik II

Vorlesung  
Mo wtl17.15-20.30 18.04.-11.07.2005

Stahl, Konrad  
Rall, Wilhelm

L 9, 016

Organisation: Organisational meeting on Friday, 11.2., 14.15-18.00, in P044.

1. Sitzung: Monday, April 18

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, Strategic Action in Business and Government I or equivalent.

ECTS-Credits: 9

GRADES:

The grade for the course is based on active participation in class (50%) and the presentation of solutions to the case problems presented below, in form of four team papers (50 %).

Course description:

The course sequence consists of three blocks. The four hour lecture course on strategic action I in the winter semester; a block seminar held either at the end of the winter semester or just before the beginning of the summer semester; and the present interactive four hour case study course held in the summer semester. Participation in both the seminar and the summer course necessitates participation in the winter semester course (or equivalent). Participation in the seminar is recommended, but not required for participation in the summer course.

The philosophy that has led to the course sequence is the following: The analysis of a real life strategic planning problem necessitates the reduction of the problem to its essentials. The winter semester 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. Depending on the industry structure, both are prerequisites 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 winter semester course is designed towards to equip the student with micro theoretic and game theoretic tools to solve strategic problems.

This concept is deepened within the block seminar and the case study course. Towards this we have developed a novel 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.

More specifically, in the block seminar held we ask the student to explain carefully selected case data with the theoretical approaches discussed in the winter semester course. In the present case study course the student is challenged with the development of new modelling approaches. Towards this, we present a sequence of five cases from different industries.

We will form teams of students. The teams will compete against each other in developing 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.

Literature:

The main reference text for the course will be

" Tirole, J. (1989): The Theory of Industrial Organization, Cambridge, MA: MIT Press, German translation Oldenbourg (1994)

#### SESSIONS:

Date	Subject
April 18	Modelling Tools
April 25	An Exemplary Case Discussion: Strategic Vertical Interaction in the Automotive Industry
May 2	Cont'd
Mai 9	Presentation Case 2: Restructuring the Automotive Distribution Sector
May 16	Pentecost Holiday
May 23	Discussion Theory Case 2: Industry Players' Strategy,
May 30	Discussion Theory Case 2: Public Policy Presentation Case 3: Capacity Expansion in the Polyolefine Industry
June 6	Discussion Theory Case 3: Industry Players' Strategy
June 13	Discussion Theory Case 3: Public Policy Presentation Case 4: Transformation of the Touristic Industry
June 20	Discussion Theory Case 4: Industry Players' Strategy
June 27	Discussion Theory Case 5: Public Policy Presentation Fall 5: Organisation of Urban Public Transportation
July 4	Discussion Theory Case 4: Industry Players' Strategy
July 11	Discussion Theory Case 5: Public Policy Questions and Answers

Course title: Strategisches Handeln in Wirtschaft und Politik II

Instructors: Prof. Konrad Stahl, Ph.D., Prof. Dr. Wilhelm Rall (McKinsey & Co.)

Method (hours per week): lecture (4)

Examination: 24 hour take home-exam

ECTS-Credits: 9

Course description: This course discusses selected cases in industrial economics. From each individual case, strategic questions are derived pertinent to typical players in industry and government, as well as game theoretic models. Typically, the models are completed within homework assignments. Typical business applications are strategic marketing, strategic decisions to influence industrial structure (make vs. buy, mergers), strategic behaviour in extreme restructuring situations. Typical economic applications are taken from competition and regulatory policy. Cases are taken from the automotive, the telecommunications, and the printing and publishing sectors.

Contact person: Prof. Konrad Stahl, Ph.D., Tel. ++49-621-181-1875, e-mail: kos@econ.uni-mannheim.de

#### **Seminar zu Strategisches Handeln in Wirtschaft und Politik**

Seminar  
Raum und Zeit siehe Aushang

Stahl, Konrad;  
Rall, Wilhelm

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. Konrad Stahl, Ph.D., Tel. ++49-621-181-1875, kos@econ.uni-mannheim.de

## **Experimentelle Wirtschaftsforschung**

Vorlesung

Kirchkamp, Oliver

Mo wtl10.15-11.45 11.04.-11.07.2005

L 9, 016

Voraussetzungen: Vordiplom

Gliederung:

1. Einführung, Geschichte der Experimentellen Wirtschaftsforschung
2. Verhältnis Theorie / Experiment/Felddaten
3. Implementierung von Experimenten
4. Auswertung von Experimenten
5. Individuelle Entscheidungen, Risiko
6. Verhandlungen
7. Koordination
8. Öffentliche Güter, Kooperation
9. Industrial Organisation
10. Auktionen
11. Geldpolitik
12. Fiskalpolitik

Weitere Informationen unter <http://www.kirchkamp.de/expEcon/>

Course title: Experimentelle Wirtschaftsforschung

Instructor: PD Dr. Oliver Kirchkamp

Method (hours per week): lecture (2)

Course language: English on demand

Prerequisites: Vordiplom

Examination: written, 90 min

ECTS-Credits: 5

Course descripton: see <http://www.kirchkamp.de/expEcon/>

Contact person: PD Dr. Oliver Kirchkamp, Tel. 0621 / 181-1835, L 7,3-5, room 329, e-mail: lehre@kirchkamp.de

## **Economics of Labour Law**

Seminar

Boockmann, Bernhard

Raum und Zeit siehe Aushang

General references:

Bouckaert, Boudewijn; Gerrit De Geest (2000), Encyclopedia of Law and Economics (Edward Elgar and the University of Ghent) (online <http://allserv.rug.ac.be/~gdegeest/>)  
Ott, Claus; Hans-Bernd Schäfer (2001), Ökonomische Analyse des Arbeitsrechts, Beiträge zum VII. Travemünder Symposium zur Ökonomischen Analyse des Rechts, Tübingen.  
De Geest, Gerrit; Jacques Siegers; Roger van den Bergh (1999), Law and economics and the labour market, Cheltenham.  
Rieble, Volker (1996), Arbeitsmarkt und Wettbewerb: Der Schutz von Vertrags- und Wettbewerbsfreiheit im Arbeitsrecht, Berlin etc.  
Sadowski, Dieter; Ulrich Walwei (Hrsg.) (2002): Die ökonomische Analyse des Arbeitsrechts, Beiträge zur Arbeitsmarkt- und Berufsforschung 259, Nürnberg.

Topics for presentation:

History of labour law

Topic 1: Development of labour law

Basic norms of labour law

Topic 2: Legislation against child labour: theory

Topic 3: Legislation against child labour: empirical evidence

Topic 4: Non-discrimination laws

Law and economics of the work contract

Topic 5: Incentive payments

Topic 6: Employment protection

Topic 7: Non-wage benefits to specific groups of workers

Topic 8: Minimum wage legislation

Topic 9: Working time regulation

Collective labour law

Topic 10: Strikes and arbitration

Topic 11: Industrial relations of the US Baseball League (case study)

Topic 12: Works councils

Labour Courts and Judges

Topic 13: Labour courts

(These topics are preliminary and subject to changes. Selected references for each topic are available from my website: <http://www.vwl.uni-mannheim.de/vaubel/boockmann/boockmann.html>)

Course title: Economics of Labour Law

Instructor: PD Dr. Bernhard Boockmann

Method (hours per week): seminar (2)

Course language: English

Prerequisites: Grundstudium

Examination: Assessment will be based on a written essay of about 15 pages and class presentation (50%), the discussion of another presentation (25%) and course discussion (25%).

ECTS credits: 6

Course description: While labour law appears to be an application of general contract law, there are many exceptions from contract law and many legal rules specific to the labour context. These reflect, on one hand, the specifics of work as an object of exchange. On the other hand, they have often arisen out of distributional concerns. The structure of labour law and the extent to which labour law regulates the employment relationship differ widely across countries. This diversity is often regarded as a major determinant of observed differences in labour market performance. Many contributions to the debate, however, use a rather broad brush in dealing with labour market institutions. The object of this seminar is to look in greater detail at the economic effects of specific provisions of labour law. Most presentations will follow the normative law and economics approach using microeconomic theory, but some presentations may also discuss available empirical evidence. Presentations will deal both with English and US labour law as well as with German and Continental European law. The seminar will consist of the following broad topics: Development of labour law, basic rights in labour law, regulation of the employment contract, collective labour law, labour courts. Any further suggestions are welcome.

Contact person: PD Dr. Bernhard Boockmann, Tel.: +49 621 1235 156, e-mail: [boockmann@zew.de](mailto:boockmann@zew.de)

## European Monetary and Economic Integration

Vorlesung  
Do wtl10.15-11.45 14.04.-14.07.2005

Schröder, Jürgen

L 7, 031

Content:

- I. Forms of Economic and Monetary Integration
- II. Economic Integration
  1. Static Effects
  2. Dynamic Effects
- III. Monetary Integration
  1. Reducing Macroeconomic Flexibility
  2. Increasing Microeconomic Efficiency
- IV. Integration and Economic Policy
  1. Monetary Policy
  2. Fiscal Policy
  3. Structural Policy

Course title: European Monetary and Economic Integration

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 economic and monetary integration and its application to the European context. The course deals with types of economic and monetary integration; static and dynamic effects of economic integration; benefits of a single market; monetary integration; costs and benefits of a single currency; theory of optimum currency areas and its application to the European Monetary Union.

Contact person: Dr. Makram El-Shagi, Tel. 181-1803, E-mail: [elshagi@rumms.uni-mannheim.de](mailto:elshagi@rumms.uni-mannheim.de), L 7, 3-5, room 242, consultation hour: on appointment

## Corporate Finance for Economists I

Vorlesung  
Di 14-tgl14.30-16.00 12.04.-05.07.2005

Kalckreuth, Ulf von

L 9, 215

Die Vorlesung findet auf Englisch statt, Klausur in der letzten Semesterwoche.

Introductory literature: Copeland, Weston and Shastri: Financial Theory and Corporate Policy, 4th ed., Boston etc., Addison-Wesley, 2005; Eichberger and Harper: Financial Economics, Oxford University Press, Oxford etc., 1997; De Matos: Theoretical Foundations of Corporate Finance, Princeton University Press, Princeton and Oxford, 2001; Bond and van Reenen: Microeconomic Models of Investment and Employment, forthcoming in Heckman and Leamer (eds.), Handbook of Econometrics, Vol. 6, downloadable at <http://cep.lse.ac.uk/people/vanreenen/papers/bondvanr.pdf>

Further reading will be assigned during the course.

Course title: Corporate Finance for Economists I

Instructor: Dr. Ulf von Kalckreuth

Method (hours per week): lecture (1)

Prerequisites: Vordiplom, a solid background in micro theory (at the Microeconomics III level) and a basic understanding of econometrics. Knowledge of game theory would be an asset.

Examination: written exam, 45 min.

ECTS-Credits: 2.5

Course description: This is the first part of a 2 semester introductory course on the real investment and finance decisions of private companies. As economists, our focus will be on allocation. We will concentrate on topics that can be studied while maintaining the classical assumption of information symmetry:

- (1) Decision-Making and Valuation under Uncertainty

- (2) The Modigliani and Miller Propositions
- (3) The Neoclassical Theory of Investment
- (4) Real Options Investment Models

We will cover theoretical and empirical aspects alike. In the following semester, the second part of the course will investigate the structures that are associated with adverse selection and agency problems.

Contact person: Ulf von Kalckreuth, Deutsche Bundesbank, Economic Research Centre, Wilhelm-Epstein-Str. 14, 60431 Frankfurt/Main, Tel.: 069 9566 2217, E-mail: ulf.von-kalckreuth@bundesbank.de

### **Comparative Public Finance, Politics and Globalization**

Vorlesung

Janeba, Eckhard

Do wtl13.45-15.15 14.04.-14.07.2005

L 7, P044

Course title: Comparative Public Finance, Politics and Globalization

Instructor: Prof. Dr. Eckhard Janeba

Method (hours per week): lecture (2)

Prerequisites: Vordiplom

Examination: written, 90 min.

ECTS-Credits: 5

Course description: This class deals with the role of different institutions across countries and its impact on the size and composition of government activity, both from a theoretical and empirical viewpoint. We also review how institutions change over time as the world becomes globalizes. At the beginning of the class students are introduced to the major political economy approaches used to study the above topics.

Contact person: Prof. Eckhard Janeba, L 7, 3-5, room 229

Tel: 181 - 1795, mail: janeba@rumms.uni-mannheim.de

### **The Onset of Globalization after World War II**

Vorlesung

Buchheim, Christoph

Do wtl15.30-17.00 14.04.-14.07.2005

L 7, P044

Course title: The Onset of Globalization after World War II

Instructor: Prof. Dr. C. Buchheim

Method (hours per week): lecture (2)

Course language: English

Examination: written, 90 min.

ECTS-Credits: 5

Course description: Already the interwar period was characterized by protectionism which led to a process of deglobalization on a world scale. After World War II this tendency was even stronger; quantitative import barriers and bilateralism dominated not only in Europe. By 1960, however, that had changed a lot. Then the main currencies were convertible, trade had been extensively liberalized, a new process of globalization had set in.

The questions which will be dealt with in this lecture course therefore are: How did this positive development of the world economic system come about? What were the mechanisms which led to the huge decline of protectionism, and what can be learned from them for international economic policy more generally. The course is open to doctoral and advanced students in economics. There will be written examinations at the end of the term. Doctoral students will in addition have to prepare a case study for one lecture. Literature: Hermann van der Wee, Prosperity and Upheaval: The World Economy 1945-1980, Berkeley 1986.

Contact person: Prof. Dr. C. Buchheim, L7, 3-5, room P 11, phone 181-1902/01, e-mail: buchheim@rumms.uni-mannheim.de, office hours: Tuesday, 11.00 - 12.30 h.

## Computational Economics

Vorlesung

Kübler, Felix

Di wtl14.00-15.30 12.04.-12.07.2005

L 7, 031

Mi wtl10.15-11.45 13.04.-13.07.2005

L 7, P044

Die Veranstaltung findet in englischer Sprache statt.

Course title: Computational Economics

Instructor: Prof. Felix Kübler, Ph.D.

Method (hours per week): lecture (4)

Prerequisites: Vordiplom, knowledge of Fortran or C, strong interest in macro-economics

Examination: There will be weekly compute assignments, which have to be handed in. The grading will be on the basis of these assignments.

ETCS Credits: 9

Course description: This class will discuss basic algorithms for solving economic models. We will discuss several well known models of the macro-economy and computational methods to solve these models.

Outline:

- Introduction to numerical analysis
- The two-sector model of the US economy, Newton's method, Scarf's algorithm, homotopy methods, iterative methods
- The stochastic growth model, interpolation, projection methods, policy function iteration
- The Lucas model with heterogenous agents
- Some theoretical considerations

Contact person: Prof. Felix Kübler, Ph.D.; Tel. 181-1836; e-Mail: fkuebler@rumms.uni-mannheim.de; L7, 3-5, room 3.12, office hours: Tuesday and Thursday 11-12 am

## Determinants of Growth

Seminar

Kübler, Felix

Mi wtl17.15-18.45 13.04.-13.07.2005

L 7, 147

In dieser 2-stündigen Veranstaltung sollen einige ausgewählte Artikel zum Thema Entwicklungsökonomie diskutiert werden. Dabei wird der Schwerpunkt insbesondere darauf liegen, wie Ungleichheit im Zusammenhang mit unvollkommenen Märkten sich auf wirtschaftliches Wachstum auswirkt.

PhD students and advanced undergraduates only

Introductory Reading:

Banerjee, Duflo 2004, Growth Theory through the lens of Development Economics - growth theory and development

Besley, Burgess 2003, Halving Global Poverty, JEconPers - study on inequality and poverty

Inequality:

Banerjee, Newman, 1993, Occupational Choice and Process of Development, JPE - costly access to rents, imperfect capital markets

Ghatak, Morelli, Sjöström 2001, Occupational Choice and Dynamic Incentives, REStud - inequality as an incentive device

Persson, Tabellini 1994, Is Inequality Harmful for Growth?, AER - inequality and political instability

Alesina Rodrik 1994, Distributive Politics and Economic Growth, QJE - redistribution and growth

Banerjee, Duflo 2003, Inequality and Growth: What can the data say?, mimeo MIT - inequality and growth empirics

Mookherjee Ray, 2003, Persistent Inequality, REStud - necessary conditions to generate persistent inequality in a growth model

(also Loury 1981, Galor Zeira 1993, Aghion Bolton 1997, Lloyd-Ellis Bernhardt 2000)



## Financial Markets

Banerjee, Munshi 2004, How efficiently is capital allocated: Evidence..., REStud - testing credit constraints

Ahlin, Townsend 2004, Selection into and across credit contracts: Theory and Field Research, mimeo University of Chicago - testing credit models

Banerjee 2002, Contracting Constraints, Credit Markets, and Economic Development, - survey on capital market imperfection literature

Acemoglu, Zilibotti 1997, Was Prometheus Unbound by Chance - financial development and growth

Ghathak, Guinane 1999, The Economics of Lending with Joint Liability: Theory and Practice, JDevEcon - joint liability lending

## Property Rights:

Rajan, Zingales 2003, The Emergence of Strong Property Rights: Lessons from History, NBER WP 9478 - landed gentry

Besley, Burgess 2000, Land Reform, Poverty and Growth: Evidence from India, QJE- land redistribution in india

Field 2003, Entitled to Work: Urban Property Rights and Labor Supply in Peru, mimeo Harvard University - land redistribution in peru

Johnson, McMillan, Woodruff 2002 - empirical: borrowing constraints vs. weak property rights

Course title: Determinants of Growth

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

Contact person: Prof. Felix Kübler, Ph.D.; Tel. 181-1836; e-Mail: fkuebler@rumms.uni-mannheim.de; L7, 3-5, room 3.12, office hours: Tuesday and Thursday 11-12 am

## International Trade

Vorlesung

Janeba, Eckhard

Di wtl13.45-15.15 12.04.-12.07.2005

L 7, P043

Course title: International Trade

Instructor: Prof. Dr. Eckhard Janeba

Method (hours per week): lecture (2)

Prerequisites: this course is designed for doctoral and advanced undergraduate students

Examination: written, 90 min.

ECTS-Credits: 5

Course description: This class is designed to bring students to the frontier of research in international trade. Emphasis is put on i) the generalization of traditional trade theories to higher dimensions (more than two goods, more than two factors), ii) the link between theory and empirical validation, iii) the integration of international goods and factor flows, iv) the role of political economy models to explain trade policy conduct. The class is based on original articles and the textbook by Robert Feenstra, Advanced International Trade, Princeton University Press, 2004.

Contact person: Prof. Eckhard Janeba, L 7, 3-5, room 229, Tel: 181 - 1795, mail: janeba@rumms.uni-mannheim.de