Department of Economics
Courses held in English language – Winter semester 2006/07

II. Main studies (Hauptstudium)

2. Electives for Economists (Wahlveranstaltungen für Volkswirte)

Economic Analysis of the Law

Vorlesung, 2st.
Do   wtl10.15-11.45   07.09.-14.12.2006

Boockmann, Bernhard

L 9, 003

Contents
1. Introduction
1.1 Definition and history of the subject
1.2 Civil law vs. common law
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3. Tort law and liability rules
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4. Contract law
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5. Corporate law
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6. Litigation and Settlement
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8.2 Works councils and co-determination

9. International law

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10.2 Economics of international sanctions
10.3 Renegotiation and flexibility of international treaties

References
Detailed references will be available on my website,
http://www.vwl.uni-mannheim.de/vaubel/boockmann/boockmann.html

General references
a) Textbooks
Adams, Michael (2002), Ökonomische Theorie des Rechts, Lang, Frankfurt a.M..
Cooter, Robert; Thomas Ulen (2000), Law and economics, 3rd ed., Scott, Foresman & Co., Glenview
Kaplow, Louis; Steven Shavell (2001), Economic Analysis of Law, in Auerbach, A.J.; M. Feldstein, Handbook of Public Economics, Vol. 3 (auch als NBER working paper # 6960).
Miceli, Thomas (1997), Economics of the Law, OUP, Oxford
Polinsky, A. Mitchell (1989), Introduction to Law and Economics, 2nd ed., Little, Brown & Co., Boston
Posner, Richard A.(1992), Economic Analysis of Law, 2nd ed., Little, Brown & Co., Boston
Schäfer, Hans-Bernd; Claus Ott (2000), Lehrbuch der ökonomischen Analyse des Zivilrechts, Springer, Heidelberg

b) Encyclopedias
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/)
Newman, Peter K.; Robert H. Inglis (1998), The new Palgrave dictionary of economics and the law, London: Macmillan; New York: Stockton Press.

Course title: Economic Analysis of the Law
Instructor: PD Dr. Bernhard Boockmann
Method (hours per week): lecture (2)
Prerequistes: Grundstudium
Course language: English or German, depending on audience

Examination: written, 90 minutes, or written, 45 minutes,
plus presentation and 3 pages handout
ECTS credits: 5
Course description: This lecture provides an introduction to the economic
analysis of the law. The first five chapters deal with the most well-known
models used to analyse the different branches of private law. The second
part of the lecture concentrates on areas of law less frequently analysed by
economists, such as criminal law, constitutional law, labour law or inter-
national law. The economic analysis of the law is motivated primarily by the
question of the efficient design of legal rules, and most of the contributions
are theoretical. However, we will also consider the emerging empirical
evidence concerning the relevance of the economic approach to legal rules.
Contact person: Dr. Bernhard Boockmann, Tel.: +49 621 1235 156, e-mail:
boockmann<at>zew.de

Strategic Action in Business and Government I

Vorlesung, 4st.			Peitz, Martin	
Di	wtl10.15-11.45	05.09.-12.12.2006		L 9, 003
Do	wtl13.45-15.15	07.09.-14.12.2006		L 9, 003

Prof. Dr. Martin Peitz   Fall semester 2006
Visiting University of Mannheim

Strategic Decisions in Business and Government I (Industrial Economics)

1. Time and location:
Lecture in the Winter Term 2006, 4 hours per week + Exercises (2 hours
per week)

2. First lecture:
Tuesday, September 5, 2005

3. Office hours:
tba

4. Adressees:
The course is designed for advanced (and capable) students in the diploma
studies program. It is also designed for 2nd year students in the doctoral
program.

5. Prerequisites:
Successful participation in the micro sequence. In particular, basic notions
of game theory as acquired in the micro sequence are useful.
6. Grading:
Grading on the basis of a final exam (50 %); problem sets throughout the
course (30%), class participation (20%).
The grading of students of the doctoral program is separate and has a
different basis.

7. Concept for the course:
It is a too complex task to analyze strategic planning problems without an appropriate reduction to a more abstract environment. This makes a formal analysis very important and often essential. This course shall enable the student to gain such an understanding from a business strategy and competition policy perspective. Importantly, the student is not only expected to understand existing models but more general principles and mechanisms at work. Hence, models can be adapted to tackle concrete problems. Students are provided with a toolkit and are encouraged to think strategically. This course covers the fundamentals of the theory of industrial organization. These are complemented by case studies and background knowledge of competition policy.

This lecture is part of a series of courses (which are otherwise offered by the chair of Professor Stahl), This series is not restricted to the presentation and understanding of models, but culminates in the development of new models which provide answers to current questions about firm behaviour from a business strategy or competition policy perspective.

The course will be offered in English. This facilitates the access to the original literature. The course is demanding, time intensive, and requires an active participation of the students.

8. Literature:
There are a number of helpful introductory textbooks available. In particular,

Cabral, L.M. (2000): Introduction to Industrial Organization, Cambridge, MA: MIT Press.

is compact and good to read. You may also want to consult

Pepall, L., D. Richards und G. Normann (2002): Industrial Organization: Contemporary Theory and Practice, Mason, OH: South-Western Thomson Learning (or later edition).

These two books are organized well but cover only elementary material. At the opposite end are the following two, very useful books:

Tirole, J. (1988): The Theory of Industrial Organization, Cambridge, MA: MIT Press. This book is a classic and much more demanding than the two books recommended above. Some (but surprisingly few) topics are missing or not up-to-date.

Motta, M. (2003): Competition Policy: Theory and Practice, Cambridge, UK. This book covers only some of the topics, but it covers most aspects of competition policy.
Anybody who wants to improve or refresh his or her knowledge of game theory may want to consult the corresponding chapter in Tirole (1998) or the book
Gibbons, R. (1992), A Primer in Game Theory, Harvester Wheatsheaf (identical to: Game Theory for Applied Economists, Princeton University Press).

Working papers and articles will be recommended for doctoral students.
Lecture notes to some of the course topics will be made available.

9. Organization of the course:

1. Introduction
2. Preliminaries
3. Market Power
4. Sources of Market Power
5. Market Segmentation
6. Market Power and Asymmetric Information
7. Market Entry and Reactions to Entry
8. Collusion, Cartels and Horizontal Mergers
9. Vertically Related Markets
10. R&D and the Protection of Intellectual Property
11. Network Effects, Standards, and Systems Competition
12. Intermediation

Course title: Strategic Action in Business and Government I
Instructor: Prof. Dr. Martin Peitz
Method (hours per week): lecture (4) + practical exercises (2)
Examination: final exam, problem sets, class participation
ECTS-Credits: 11
Course description: It is a too complex task to analyze stategic planning
problems without an appropriate reduction to a more abstract environment.
This makes a formal analysis very important and often essential. This
course shall enable the student to gain such an understanding from a
business and public policy perspective. Importantly, the student is not only
expected to understand existing models but more general principles and
mechanisms at work. Hence, models can be adapted to tackle concrete
problems. Students are provided with a toolkit and are encouraged to think
strategically. This course covers the fundamentals of industrial organization.
These are complemented by case studies and background knowledge of
competition policy. This lecture is based on a newly developed didactic
concept; it is part of a series of courses (which are otherwise offered by the
chair of Professor Stahl), which is not restricted to the presentation and
understanding of models, but culminates in the development of new models
which provide answers to current strategic questions from a business or
public policy perspective. The course will be offered in English (unless there
is a strong demand for German). This facilitates the access to the original
literature. The course is demanding and requires an active participation of
the students.
Contact person: Prof. Dr. Martin Peitz, Tel. 181-2026, e-mail:
peitz@bigfoot.de

Strategic Action in Business and Government I
Übung, 2st.   Wachtler, Frank
Mi   wtl15.30-17.00   06.09.-13.12.2006   L 9, 003

International Monetary Relations

Vorlesung, 2st.   El-Shagi, Makram
Mi   wtl10.15-11.45   06.09.-13.12.2006   L 7, P044

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 wil be analyzed. The costs and benefits of exchange rate variability will be discussed.
Contact person: Dr. Makram El-Shagi, Tel. 181-1803, elshagi<at>rumms.uni-mannheim.de, L 7, 3-5, 2nd floor, room 242, consultation: on appointment

Public Finance

Seminar, 2st.   Ludwig, Alexander
Raum und Zeit siehe Aushang

Target group: Advanced undergraduate (Hauptstudiums-Studenten) and doctoral students

This seminar focuses on the theory of optimal taxation in a dynamic setting. It starts out with the traditional theory of optimal taxation under commitment and ends with the literature on the "new dynamic fiscal policy". In addition, we will have a look at some quantitative papers. All these are interesting and hot topics in modern dynamic macroeconomic theory and you will hopefully have fun participating in this seminar.

The seminar will take place as a block seminar some time in the first two weeks of December (yet to be announced). An organizational meeting will take place on Wednesday, September 6, 2006 at 3.30 pm in the SFB seminar room in L 13, 17,

room 512, 5th floor. The number of participants in this seminar is limited to 20.

For the seminar you will have to prepare presentations and you will also have to write individual term papers. Depending on participation, presentations of seminar topics can be done in groups. All this must be in English but the quality of your English will of course not affect your grade. Grading will be done according to the following weighting scheme: 60% on the term paper, 30% on the presentation and 10% on your class participation during the general discussions of other presentations. Term papers should be about 15 pages long and are due by mid January, that is, on January 15 at midnight, but you may certainly submit the paper earlier.

Course title: Public Finance
Instructors: Alexander Ludwig, Daniel Schunk
Method (hours per week): seminar (2)
Prerequisites: Vordiplom
Examination: seminar paper, oral presentation
ECTS-Credits: 6
Course description: This seminar focuses on the theory of optimal taxation in a dynamic setting. It starts out with the traditional theory of optimal taxation under commitment and ends with the literature on the "new dynamic fiscal policy". In addition, we will have a look at some quantitative papers. For further information see http://www.mea.uni-mannheim.de/alexludwig/
Contact person: Alexander Ludwig, Mannheim Research Institute for the Economics of Aging (MEA), L13,17, E-mail: ludwig@econ.uni-mannheim.de

International Financial Policy/Währungspolitik

Vorlesung, 3st.   Vaubel, Roland
Mi 14-tgl 13.45-15.15   06.09.-06.12.2006   L 7, P043
Fr   wtl10.15-11.45   08.09.-15.12.2006   L 9, 003

Die Veranstaltung wird in englischer Sprache gehalten.

Inhalt:
1. Grundlagen der Wechselkurstheorie
2. Wechselkurspolitik und Weltwährungsordnung
3. Die europäische Währungsintegration
4. Die offizielle internationale Liquidität
5. Internationale Kapitalbewegungen

Literaturhinweise:
Glismann, H.H., E.J. Horn, S. Nehring, R. Vaubel, Weltwirtschaftslehre I: Außenhandels- und Währungspolitik, UTB Vandenhoeck Nr. 1424, 4. Auflage, 1992. Willms, Manfred, Internationale Währungspolitik, 2. Aufl., Vahlen 1995. De Grauwe, Paul, International Money, Oxford 1996. Eine Liste ausgewählter Aufsätze wird in der Vorlesung verteilt und ist am Lehrstuhl erhältlich.

Die Klausur kann wahlweise auf Englisch oder Deutsch geschrieben werden. Entsprechend erscheint im Zeugnis entweder "International Financial Policy" oder "International Financial Policy/Währungspolitik". Die Vorlesung "Währungspolitik" kann besonders gut mit der Vorlesung "Geldpolitik" (3 SWS) im Rahmen des Vertiefungsfachs "Geld- und Währungspolitik" kombiniert werden. Das dazugehörige Seminar findet im SS 2007 statt.

Course title: International Financial Policy/Währungspolitik
Instructor(s): Prof. Dr. Roland Vaubel
Method, hours per week: lecture (3)
Examination: written, 135 minutes
ECTS-Credits: 7
Course description: International Financial Policy
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: Galina Boeva, Tel. 181-1817, E-mail: gboeva<at>rumms.uni-mannheim.de, L7, 3-5, room 2-09

Econometrics I (CDSEM)

Vorlesung und Übung, 6st.			Hoderlein, Stefan	
Do	wtl10.15-11.45	14.09.-14.12.2006	Brüggemann, Ralf	L 7, P044
Fr	wtl10.15-11.45	15.09.-15.12.2006	Trenkler, Carsten	L 7, P043
Fr	wtl13.45-15.15	15.09.-15.12.2006		L 7, P043

Die Veranstaltung wird in Englisch stattfinden. Der Kurs wendet sich in erster Linie an Doktoranden. Interessierte Studierende des Hauptstudiums setzen sich bitte mit einem der Dozenten in Verbindung.

Course Title: Econometrics I
Instructors: Prof. Stefan Hoderlein, Ph.D., Dr. Ralf Brüggemann,
Dr. Carsten Trenkler
Method (hours per week): lecture (4) + practical exercises (2)
Prerequisites: Diplom
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.
Contact person: Prof. Stefan Hoderlein, Ph.D., Tel. 181-3333, eMail: e-Mail: stefan_hoderlein<at>yahoo.com, L7, room 126.

Economic Analysis of the Family

Vorlesung, 2st.   Sørensen, Erik Ø.   L 7, 3-5
Di   wtl 12.00-13.30   05.09.-12.12.2006   P044

Course title: Economic Analysis of the Family
Instructor: Erik Ø. Sørensen
Method (hours per week): lecture (2)
Course language: English
Prerequisites: Econometrics, Micro III or equivalent
Examination: written, 90 min.
ECTS-Credits: 5
Course description:
1. We start by reviewing the basic model of time-use and household labour supply in the simplest case where families can be modelled as if they were run by a benevolent dictator.
2. Theoretical and empirical challenges to the unitary framework. We look at richer models of household behaviour that emphasise bargaining or non-cooperative behaviour: Does the source of family resources matter for their distribution of welfare within the household?
3. Who marries whom. Why do women marry earlier than men? Why do more successful men marry later? What determines re-marriage after divorce?
4. Most couples have children. We will look into how families make decisions on when to have children, how many to have and how much to invest in each. What does the increase in divorce imply for fertility?
5. Investment in children is closely linked to the topic of within-family altruism and how intergenerational transfers of resources. We look at how this affects intergenerational income mobility.
Throughout the course, emphasis will be put on how theory relates to data. We will look both at stylized facts and more formal evidence from econometric and calibrated models. Becker (Gary S. Becker, A Treatise on the Family. Enlarged edition, Harvard University Press 1991) presents the basic theory. We will read a selection of journal articles that complements Becker and provide further empirical analysis. This course addresses advanced students in the diploma studies program.
Contact person: Prof. Erik Ø. Sørensen, Ph.D., Tel. 181-1843, E-Mail: erik.sorensen@nhh.no, L7, 3-5, room 1.10

Empirical modelling of choices in applied economics

Vorlesung, 2st.   Sørensen, Erik Ø.
Mi   wtl08.30-10.00   06.09.-13.12.2006   L 9, 002

Course title: Empirical modelling of choices in applied economics
Instructor: Erik Ø. Sørensen
Method (hours per week): lecture (2)
Course language: English
Prerequisites: Econometrics, Micro III or equivalent
Examination: written, 90 min.
ECTS-Credits: 5
Course description:
We will review the basic model for discrete choice, and examine how this
model has been applied in both static and dynamic settings, in labour
economics and industrial organization. The basic objective of the course is
to provide a solid grounding in the theory of discrete choice, and to make it
clear how empirical work can respect the structure of standard economic
theory.
The first part of the course will focus on standard theory that is well known
by all practitioners (Train, K. E., Discrete Choice Methods with Simulation.
Cambridge University Press, 2003). Advanced topics such as dynamics and
equilibrium will be covered based on applications in journal articles. These
will be on topics such as machine replacement, renewal of patents,
equilibrium in product markets, matching and marriage, and fertility choice.
This course addresses advanced students in the diploma studies program
and doctoral students.
Contact person: Prof. Erik Ø. Sørensen, Ph.D., Tel. 181-1843, E-Mail:
erik.sorensen<at>nhh.no, L7, 3-5, room 1.10

Univariate Zeitreihenanalyse/Univariate Time Series Analysis

Vorlesung und Übung   Brüggemann, Ralf
Mo   wtl10.15-11.45   04.09.-11.12.2006   L 7, 031
Fr 14-tgl12.00-13.30   15.09.-08.12.2006   L 7, 158
Fr 14-tgl12.00-13.30   15.09.-08.12.2006   L 7, 031

Vorlesungen und Übungen werden in englischer Sprache gehalten.

Course title: Univariate Time Series Analysis
Instructor: Dr. Ralf Brüggemann
Method (hours per week): lecture (2) + (computer) tutorials (1)
Prerequisites: Grundlagen der Ökonometrie (Basic Econometrics)
Examination: written, 90 min.
ECTS-Credits: 6
Course description: Time series data is available in many areas in
economics. The course gives an introduction into the statistical analysis of
single (univariate) time series. Descriptive methods will be discussed first,
before stationary time series (ARMA models) are introduced. Parameter
estimation, model specification and validation will be an integral part of this
course. In the second part of the course approaches will be discussed for

nonstationary processes (integrated processes, unit root tests). Forecasting based on the models will be discussed and if time permits, a brief introduction to ARCH and GARCH models will be given. In addition to the lectures, there will be (computer) tutorials. The software Eviews will be used. Course outline:
1. Introduction and Descriptive Methods
2. Stationary Stochastic Processes
3. Estimation, Specification and Validation of ARMA models
4. Nonstationary Processes (ARIMA, Unit Root Tests)
5. Forecasting
6. ARCH + GARCH Processes
Contact person: Dr. Ralf Brüggemann, Tel. 181-1846, e-Mail: brueggem<at>wiwi.hu-berlin.de, L7, 3-5, room P20.

Föderalismus und Steuerwettbewerb

Vorlesung, 2st.   Janeba, Eckhard

Mo   wtl10.15-11.45 04.09.-11.12.2006   L 7, 044

Course title: Föderalismus und Steuerwettbewerb
Instructor: Prof. Dr. Eckhard Janeba
Method (hours per week): lecture (2)
Course language: English on demand
Prerequisites: Vordiplom
Examination: written, 90 min.
ECTS-Credits: 5
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

Finanzmarktökonometrie/Financial Market Econometrics

Vorlesung und Übung	Trenkler, Carsten	
Mi wtl. 17.15-18.45 06.09.-13.12.2006		L 7, P044
Do wtl. 8.30-10.00 07.09.-14.12.2006		L 7, P044
		und 158

Course title: Finanzmarktökonometrie/Financial Market Econometrics
Instructor: Dr. Carsten Trenkler
Method (hours per week): lecture (3) + (computer) tutorials (1)
Prerequisites: Grundlagen der Ökonometrie (Basic Econometrics)
Course language: English on demand
Examination: written, 135 min.
ECTS-Credits: 8
Course description: The lecture deals with the statistical properties of financial market data and econometric methods that can be used to analyse these data. Our focus is on stock return data. We will study procedures to test for dependence in the return data and become familiar with methods to model the mean and the volatility of financial data series. To this end, we apply both nonparametric as well as parametric test procedures, deal with system modelling and testing in relation to the CAPM and focus on time series methods and models. In particular, ARMA and GARCH models will be covered. Empirical illustrations and exercises are incorporated into the lecture.
Course Outline:
1. Introduction
Definitions, Time Series and Stochastic Processes, Typical FM-Data Properties
2. Analysis and Modelling of (the Mean of) Stock Returns
EMH, Nonparametric Independence Tests, Filter and Trading Rules, Autocorrelation Tests, Variance Ratio Tests, ARMA Models, CAPM, APT
3. Volatility Modelling
ARCH Models, GARCH Models, Stochastic Volatility, Value-at-Risc
Contact person: Dr. Carsten Trenkler, e-Mail: trenkler<at>wiwi.hu-berlin.de, L7, 3-5, room P05, Tel. 181-1852

Ökonometrisches Seminar/Econometrics Seminar

Seminar	Trenkler, Carsten	
Di wtl. 12.00-13.30 05.09.-12.12.2006		L 7, P043

Course title: Ökonometrisches Seminar/Econometrics Seminar
Instructor: Dr. Carsten Trenkler
Method (hours per week): seminar (2)
Prerequisites: Grundlagen der Ökonometrie (Basic Econometrics) and one further course in econometrics (e.g. Time Series Analysis, Microeconometrics, Financial Market Data)
Course language: English on demand
Examination: two presentations, seminar paper
ECTS-Credits: 6

Course description: In this seminar students should learn how to conduct an empirical analysis. This covers the motivation of the empirical project, data collection, choice and description of appropriate econometric methods, application of econometric methods, presentation and interpretation of empirical results, and, finally, drawing conclusions regarding the project questions of interest. Alternatively, simulation studies might be conducted. Possible projects are discussed in the first session.
Contact person: Dr. Carsten Trenkler, e-Mail: trenkler<at>wiwi.hu-berlin.de, L7, 3-5, room P05, Tel. 181-1852