

Syllabus

Course description

Course title	Economics for Accounting and Finance (modular)
Course code	25420
Scientific sector	SECS-P/06
Degree	LM 77 Master in Accounting and Finance
Semester and academic year	1 st and 2nd semester, 2018/2019
Year	1 st year
Credits	12
Modular	Yes

Short Description	<p>The advanced course in Microeconomics and Industrial Organization is designed to teach students to apply economic tools in their business decisions. Students will learn how to think in terms of incentives and choices under constraints. They will be introduced to the fundamentals of market economy, by looking at the interaction between demand and supply, at the process of price formation, and at the effects of economic policies on prices, welfare, and inequality. We will then analyze costs from an economic perspective with a special emphasis on opportunity costs and other relevant notions of costs to be considered in decisions.</p> <p>In the module on Industrial Organization, students will learn the techniques that firms use to improve their performances, such as price discrimination, product differentiation, capacity building, bundling, entry deterrence, etc. All these strategies have also welfare consequences, which are scrutinized by Competition Authorities. A part of the course will then be devoted to Competition Law and Economics.</p> <p>Finally, students will be exposed to the frontier of research in Industrial Organization, with the analysis of the economics of ICT and platforms. Throughout the course, students will spend a lot of time understanding the issues of measurement of the impact of economic policies – one of the most prominent notions in contemporary economics.</p>
Total lecturing hours	72
Total lab hours	-
Total exercise hours	-
Attendance	suggested, but not required

Prerequisites	Attendance of the course is suggested. Knowledge of calculus and of the basics of optimization theory helps, but it is not a requirement.
Course page	https://www.unibz.it/it/faculties/economics-management/master-accounting-finance/
Specific educational objectives	<p>The course refers to the typical educational activities and belongs to the scientific area of Economics.</p> <p>The course gives a general overview of the topics of microeconomic theory + Industrial Organization relevant for decision makers and consultants in Management, Accounting and Finance. The course is designed to teach students to apply economic tools in their business decisions. Students will learn how to think in terms of incentives and choices under constraints.</p>
Module 1	25420A – M1 - Microeconomics
Lecturer	Alexander Moradi, alexander.moradi@unibz.it +39 0471 013135 https://www.unibz.it/it/faculties/economics-management/academic-staff/
Scientific sector of the lecturer	
Teaching language	ENGLISH
Office hours	please refer to the lecturer's web page
Lecturing assistant	none
Teaching assistant	none
Office hours	Please refer to the Lecturer's website
List of topics covered	<p>Technology; Profit Maximization; Cost Minimization; Network externalities; Preferences; Choice; Demand; Exchange; Revealed Preference; Uncertainty; Asymmetric Information</p>
Teaching format	Frontal lectures and exercises.
Module 2	25420B – M2-Industrial Organization
Lecturer	Federico Boffa, Federico.Boffa@unibz.it , +39 0471 013278, https://www.unibz.it/it/faculties/economics-management/academic-staff/

Scientific sector of the lecturer	SECS-P/06
Teaching language	English
Office hours	please refer to the lecturer's web page
Lecturing assistant	
Teaching assistant	None
Office hours	-
List of topics covered	<p>Basic principles of Business Economics: Industrial Organization and Competitive Strategy. The course will revolve around the following themes: A) The Firm and Industry Organization; B) Market forces of supply and demand; C) Strategic Interaction; D) Effects of government regulation. In particular, The course will cover the following topics:</p> <ol style="list-style-type: none"> 1) Market structure and market power 2) Monopoly power 3) Price discrimination 4) Game Theory 5) Game Applications; 6) Oligopoly games 7) Limit pricing 8) Predation 9) Collusion 10) Two sided networks 11) Basics of contract theory 12) Principles of demand estimation
Teaching format	Frontal lectures and exercises.

Learning outcomes	<p><u>Knowledge and understanding:</u></p> <ul style="list-style-type: none"> • Fundamental knowledge of general price theory • Fundamental knowledge of general microeconomic models applied to economic problems • Explain key economic theories. • Knowledge and understanding of the role of distortions and market failures • Understanding of the workings of markets, the economy, and firm behaviour in the economy. • Knowledge of measurement issues for economic problems
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- Understanding incentives
- Understanding choices under constraints
- Understand the definition of relevant cost

Applying knowledge and understanding:

- Ability to think like an economist, that is, using the economists' criteria and categories
- Ability to grasp the interaction between individual choices (by individuals and firms) and market outcome
- Ability to apply incentive theory to the relation between incentives and consumers' and firms' choices
- Ability to analyze the effects of different economic and fiscal policy choices on the trend of microeconomic variables
- Making judgments on the basis of appropriate models and tools to analyze specific economic situations and problems.
- Employ marginal analysis for decision making
- Apply choice under constraint models to analyze real business decisions

Making judgments:

- Ability to assess economic situations, to relate them to concrete problems, and to develop policy recommendations.
- Ability to use the appropriate methods to identify the chain of causality in an economic problem.
- Ability to measure relevant economic magnitudes consistently.

Communication skills:

- Ability to present methodology and theory in a consistent way.
- Ability to discuss economic issues.

Learning skills:

- The student should have a broad understanding of the economic principles that are important for business management. She/he should be able to apply essential elements of core business principles to (case studies of) the business environment.

Communication skills:

M1 and M2: students should be able to communicate the content, the key concepts, ideas, and their solutions to the problems to both a specialist and a non-specialist audience.

Assessment	<p>The assessment takes into consideration the combined acquisition of the learning outcome reached by the students in the two modules.</p> <p>Over the course, students are expected to participate to class discussion based on readings and topic assigned in advance. They are also given a written final exam, project works, and oral presentations.</p>
Assessment language	M1 English, M2 English
Evaluation criteria and criteria for awarding marks	<p>The final grade will be the arithmetic average of the grades in M1 and in M2.</p> <p>For M1 and M2: For attending students: individual written final exam test (at least 70%); course work (at least 30%). For not attending students: final exam 100%</p> <p>Students are expected both to be able to solve formal economic models, and to discuss their implications.</p>
Required readings	<p>For M1: Nicholson, W., & Snyder, C. (2012). <i>Microeconomic Theory: basic principles and extensions</i> (11th ed.). Mason, Ohio: South-Western/Cengage Learning. Perloff, J. M. (2014). <i>Microeconomics with Calculus</i> (3rd ed.). Boston: Pearson Education Ltd.</p> <p>For M2: Lynne Pepall, L., Richards, D., Norman, G., "Industrial Organization: Contemporary Theory and Empirical Applications", Wiley, 2014 S. Comino, F. Manenti, "The Industrial Organisation of High-Technology Markets: The Internet and Information Technologies"</p>
Supplementary readings	<p>Selected chapters from CFA Institute Curriculum 2018 edition, Level I –III</p> <p>Additional handouts will be distributed in class or on Reserve Collection. Slides will always be uploaded on Reserve Collection before class.</p>