

Syllabus

Course description

Course title	Economics for Accounting and Finance (modular)
Course code	25444
Scientific sector	SECS-P/06
Degree	LM 77 Master in Accounting and Finance
Semester and academic year	1 st and 2nd semester, 2022/2023
Year	1 st year
Credits	12
Modular	Yes

Short Description	<p>The advanced course in Macroeconomics and Industrial Organization is designed to teach students to apply economic tools in their business decisions.</p> <p>In the module on Macroeconomics students will learn about the mechanisms behind the very large differences in income per capita and output per worker across countries that we are observing today. The students will also learn how agents behave in a rational expectation setting and how they react to government interventions. An insight about the effectiveness of government policies in promoting economic growth will also be studied.</p> <p>In the module on Industrial Organization, students will learn the consequences of asymmetric information on product markets and on corporate finance, the sources of market power, the origins and welfare effects of network externalities and complement products. 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 macroeconomics + 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	25444A – M1 - Macroeconomics
Lecturer	Mauro Bambi, mauro.bambi@unibz.it , +39 0471013250
Scientific sector of the lecturer	SECS-P/01
Teaching language	English
Office hours	please refer to the OLE course site
Lecturing assistant	None
Teaching assistant	None
Office hours	Please refer to the Lecturer's website
List of topics covered	<ol style="list-style-type: none"> 1) Solow model and speed of convergence equation 2) Empirical analysis of a cross section of countries 3) Poverty Traps 4) Growth and Development Accounting 5) Growth Models with Consumer Optimization: Ramsey model 6) Exogenous vs Endogenous Growth 7)
Teaching format	Frontal lectures and exercises.

Module 2	25444B – M2-Industrial Organization
Lecturer	Roberto Gabriele, roberto.gabriele@unibz.it , +39 0471 013250, https://www.unibz.it/en/faculties/economics-management/academic-staff/
Scientific sector of the lecturer	
Teaching language	English
Office hours	please refer to the lecturer's web page

List of topics covered	<p>Basic principles of Industrial Economics: Industrial Organization and Competitive Strategy.</p> <p>The course will cover the following topics:</p> <ol style="list-style-type: none"> 1) Basic definition and models 2) Theoretical interpretation: the evolutionary view 3) Stylized facts in industrial dynamics 4) Growth dynamics 5) Productivity dynamics 6) Firm demography 7) Mergers and acquisitions 8) Monopolistic competition 9) Collusion
Teaching format	<p>Frontal lectures, discussions and group presentations with discussion.</p>

Learning outcomes	<p><u>Knowledge and understanding:</u></p> <ul style="list-style-type: none"> • Fundamental knowledge of general macroeconomic models applied to economic problems • Fundamental knowledge of how the behaviour of households, firms, and governments interact and connect to aggregate economic outcomes. • Fundamental knowledge of how macroeconomic models can be brought to the data. • Fundamental knowledge of general price theory • Fundamental knowledge of general microeconomic models applied to economic problems • Knowledge and understanding of main industrial dynamics • Ability to read and understand scientific paper about industrial dynamics <p><u>Applying knowledge and understanding:</u></p> <ul style="list-style-type: none"> • Ability to think like an economist, that is, using the economists' criteria and categories • Ability to grasp the interaction between individual choices (by individuals, firms, central bank, governments) and outcomes • 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 macroeconomic 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
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	<ul style="list-style-type: none"> • Ability to understand scientific literature about industrial economics • Ability to chose the right theoretical framework to understand the stylized facts <p><u>Making judgments:</u></p> <ul style="list-style-type: none"> • 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. • Ability to position empirical cases and data into the right theoretical framework <p><u>Communication skills:</u></p> <ul style="list-style-type: none"> • Ability to present methodology, scientific papers and theory in a consistent way. • Ability to discuss economic issues. <p><u>Learning skills:</u></p> <ul style="list-style-type: none"> • 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. <p><u>Communication skills:</u></p> <ul style="list-style-type: none"> • 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.
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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: For attending and non-attending students: individual written final exam 100%.</p>

	<p>For M2: For attending and non-attending students: individual written final exam 100%.</p> <p>Students are expected both to be able to solve formal economic models, to interpret and discuss empirical evidence and to discuss their implications.</p>
<p>Required readings</p>	<p>For M1:</p> <p>A. Kraay and D. McKenzie (2014). "Do poverty traps exist? Assessing the evidence". Journal of Economic Perspective, pp. 127-148.</p> <p>R. Barro (1991). "Economic growth in a cross section of countries". Quarterly Journal of Economics, pp. 407-442.</p> <p>R. Barro and X. Sala-i-Martin (1992). "Convergence". Journal of Political Economy, pp. 223-251.</p> <p>N. G. Mankiw, D. Romer and D. Weil (1992). "A contribution to the empirics of economic growth". Quarterly Journal of Economics, pp. 407-437.</p> <p>P. Johnson and C. Papageorgiou (2020). "What remains of cross-country convergence". Journal of Economic Literature, pp. 129-175.</p> <p>R. Barro (1999). "Notes on growth accounting". journal of Economic Growth, pp. 119-137.</p> <p>C. Hsieh (2002). "What explains the industrial revolution in East Asia? Evidence from the factor markets". American Economic Review, pp. 502-526.</p> <p>F. Caselli (2004). "Accounting for cross-country income differences". NBER Working Paper 10828.</p> <p>C. Hsieh and P. J. Klenow (2010). "Development accounting". American Economic Journal: Macroeconomics, pp. 207-223.</p> <p>For M2:</p> <ol style="list-style-type: none"> 1. Bai, J. J., Brynjolfsson, E., Jin, W., Steffen, S., & Wan, C. (2021). Digital resilience: How work-from-home feasibility affects firm performance (No. w28588). National Bureau of Economic Research.

	<ol style="list-style-type: none"> 2. Bartelsman, E. J. (2010). Searching for the sources of productivity from macro to micro and back. <i>Industrial and Corporate Change</i>, 19(6), 1891-1917. 3. Bartelsman, E., Scarpetta, S., & Schivardi, F. (2005). Comparative analysis of firm demographics and survival: evidence from micro-level sources in OECD countries. <i>Industrial and corporate change</i>, 14(3), 365-391. 4. Bloom, N., Brynjolfsson, E., Foster, L., Jarmin, R., Patnaik, M., Saporta-Eksten, I., & Van Reenen, J. (2019). What drives differences in management practices?. <i>American Economic Review</i>, 109(5), 1648-83. 5. Bloom, N., & Van Reenen, J. (2007). Measuring and explaining management practices across firms and countries. <i>The quarterly journal of Economics</i>, 122(4), 1351-1408. 6. Brynjolfsson, E., Rock, D., & Syverson, C. (2017). Artificial Intelligence and the Modern Productivity Paradox: A Clash of Expectations and Statistics. (No. 24001). National Bureau of Economic Research. 7. Cabral, L. M. (2017). <i>Introduction to industrial organization</i>. MIT press. 8. Carlsson, B. (2016). Industrial dynamics: A review of the literature 1990–2009. <i>Industry and innovation</i>, 23(1), 1-61. 9. Coad, A. (2009). <i>The growth of firms: A survey of theories and empirical evidence</i>. Edward Elgar Publishing. Ch. 1, 8 and 9. 10. Krafft, J. (2006). What do we know about industrial dynamics: a focus on innovation, competition and growth-Introduction. <i>Revue de l'OFCE</i>, (special), 15-19. 11. Lotti, F., Santarelli, E., & Vivarelli, M. (2003). Does Gibrat's Law hold among young, small firms?. <i>Journal of evolutionary economics</i>, 13(3), 213-235. 12. Fagiolo, G., & Luzzi, A. (2006). Do liquidity constraints matter in explaining firm size and growth? Some evidence from the Italian manufacturing industry. <i>Industrial and Corporate Change</i>, 15(1), 1-39. 13. Malerba, F., & Orsenigo, L. (1996). The dynamics and evolution of industries. <i>Industrial and Corporate change</i>, 5(1), 51-87.
<p>Supplementary readings</p>	<p>Slides and handouts will be distributed on OLE. Additional literature will be indicated during the lectures.</p>