

## Syllabus

### Course description

<b>Course title</b>	<b>Economics for Accounting and Finance (modular)</b>
<b>Course code</b>	<b>25444</b>
<b>Scientific sector</b>	SECS-P/06
<b>Degree</b>	LM 77 Master in Accounting and Finance
<b>Semester and academic year</b>	1 <sup>st</sup> and 2 <sup>nd</sup> semester, 2023/2024
<b>Year</b>	1 <sup>st</sup> year
<b>Credits</b>	12
<b>Modular</b>	Yes

<b>Short Description</b>	<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>
<b>Total lecturing hours</b>	72
<b>Total lab hours</b>	-
<b>Total exercise hours</b>	-
<b>Attendance</b>	Highly recommended, but not required

<b>Prerequisites</b>	Knowledge of calculus and of the basics of optimization theory helps, but it is not a requirement.
<b>Course page</b>	The OLE course page will be communicated at the beginning of the course
<b>Specific educational objectives</b>	<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>
<b>Module 1</b>	<b>25444A – M1 - Macroeconomics</b>
<b>Lecturer</b>	Mauro Caselli
<b>Scientific sector of the lecturer</b>	
<b>Teaching language</b>	English
<b>Office hours</b>	Please refer to the OLE course site
<b>Lecturing assistant</b>	None
<b>Teaching assistant</b>	None
<b>Office hours</b>	Please refer to the unibz timetable
<b>List of topics covered</b>	<ol style="list-style-type: none"> <li>1) Solow model and speed of convergence equation</li> <li>2) Empirical analysis of a cross section of countries</li> <li>3) Poverty Traps</li> <li>4) Growth and Development Accounting</li> <li>5) Growth Models with Consumer Optimization: Ramsey model</li> <li>6) Exogenous vs Endogenous Growth</li> </ol>
<b>Teaching format</b>	Frontal lectures, discussions and group presentations with discussions.
<b>Module 2</b>	<b>25444B – M2-Industrial Organization</b>
<b>Lecturers</b>	<p>Federico Boffa <a href="mailto:federico.boffa@unibz.it">federico.boffa@unibz.it</a></p> <p>Eugenio Levi <a href="mailto:eugenio.levi@unibz.it">eugenio.levi@unibz.it</a></p>
<b>Scientific sector of the lecturer</b>	
<b>Teaching language</b>	English
<b>Office hours</b>	Please refer to the unibz timetable

<b>List of topics covered</b>	<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"> <li>1) Game theoretical foundations of asymmetric information</li> <li>2) Consequences of asymmetric information on             <ol style="list-style-type: none"> <li>2a: product markets</li> <li>2b: corporate finance</li> </ol> </li> <li>3) Sources of market power – search and switching costs</li> <li>4) Complement products</li> <li>5) Network externalities</li> <li>6) Provisions of network goods</li> <li>7) Markets with intermediated goods</li> <li>8) Information and reputation in product markets</li> <li>9) Market for corporate control: takeovers, mergers and acquisitions</li> </ol>
<b>Teaching format</b>	<p>Frontal lectures, discussions and group presentations with discussion.</p>

<b>Learning outcomes</b>	<p><u>Knowledge and understanding:</u></p> <ul style="list-style-type: none"> <li>• Fundamental knowledge of general macroeconomic models applied to economic problems</li> <li>• Fundamental knowledge of how the behaviour of households, firms, and governments interact and connect to aggregate economic outcomes.</li> <li>• Fundamental knowledge of how macroeconomic models can be brought to the data.</li> <li>• Fundamental knowledge of general price theory</li> <li>• Fundamental knowledge of general microeconomic models applied to economic problems</li> <li>• Knowledge and understanding of the role of distortions and market failures</li> <li>• Understanding of the workings of markets, the economy, and firm behaviour in the economy.</li> <li>• Understanding incentives</li> <li>• Understanding choices under constraints</li> </ul> <p><u>Applying knowledge and understanding:</u></p> <ul style="list-style-type: none"> <li>• Ability to think like an economist, that is, using the economists' criteria and categories</li> </ul>
--------------------------	---

- 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
- Ability to understand scientific literature about industrial economics
- Ability to choose the right theoretical framework to understand the stylized facts

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
- Ability to position empirical cases and data into the right theoretical framework

Communication skills:

- Ability to present methodology, scientific papers 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:

- 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.

<b>Assessment</b>	<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, attending 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>
<b>Assessment language</b>	<p>M1 English, M2 English</p>
<b>Evaluation criteria and criteria for awarding marks</b>	<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>
<b>Required readings</b>	<p>For M1:</p> <p>A. Kraay and D. McKenzie (2014). <a href="#">"Do poverty traps exist? Assessing the evidence"</a>. Journal of Economic Perspective, pp. 127-148.</p> <p>R. Barro (1991). <a href="#">"Economic growth in a cross section of countries"</a>. Quarterly Journal of Economics, pp. 407-442.</p> <p>R. Barro and X. Sala-i-Martin (1992). <a href="#">"Convergence"</a>. Journal of Political Economy, pp. 223-251.</p> <p>N. G. Mankiw, D. Romer and D. Weil (1992). <a href="#">"A contribution to the empirics of economic growth"</a>. Quarterly Journal of Economics, pp. 407-437.</p> <p>P. Johnson and C. Papageorgiou (2020). <a href="#">"What remains of cross-country convergence"</a>. Journal of Economic Literature, pp. 129-175.</p> <p>R. Barro (1999). <a href="#">"Notes on growth accounting"</a>. Journal of Economic Growth, pp. 119-137.</p> <p>C. Hsieh (2002). <a href="#">"What explains the industrial revolution in East Asia? Evidence from the factor markets"</a>. American Economic Review, pp. 502-526.</p> <p>F. Caselli (2004). <a href="#">"Accounting for cross-country income differences"</a>. NBER Working Paper 10828.</p> <p>C. Hsieh and P. J. Klenow (2010). <a href="#">"Development accounting"</a>. American Economic Journal: Macroeconomics, pp. 207-223.</p>

	<p>For M2:</p> <p>Paul Belleflamme, Martin Peitz, "Industrial Organization: markets and strategies", Cambridge University Press, 2018</p> <p>Jean Tirole, "The Theory of Corporate Finance", Princeton University Press, 2006</p> <p>Martin Peitz, "The Economics of Platforms: concepts and strategies", Cambridge University Press, 2021</p>
<b>Supplementary readings</b>	<p>Slides and handouts will be distributed on OLE and TEAMS. Additional literature will be indicated during the lectures.</p>