

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 2 nd semester, 2024/2025
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 start out to get used to work with the balance of payments and the current account. Current account deficits, sustainable deficits and their implications are treated. Real exchange rates and PPP are discussed, and differences to market rate shown within data. A next focus is on exchange rate regimes. Students will learn the effects of imbalances and foreign exchange interventions on domestic monetary policy. Nominal shocks, a fixed exchange rate and the New Keynesian Open Economy explanation are covered. Finally, the module offers a treatment of sovereign debt management and the issue of sovereign debt default. Specific topics are covered in teamwork.</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	Highly recommended, but not required
Prerequisites	Knowledge of calculus and of the basics of optimization theory helps, but it is not a requirement.
Course page	The OLE course page will be communicated at the beginning of the course
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	Wolfgang Gick wolfgang.gick@unibz.it
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 unibz timetable
List of topics covered	<ol style="list-style-type: none"> 1) Trade balance and the current account 2) Determinants of exchange rates, market rate vs. Real Exchange Rate and PPP 3) Implications of imbalances on domestic monetary policy under different exchange rate regimes, capital controls 4) Flexible versus fixed exchange rates, the New Keynesian Economics and explanations 5) Sovereign debt, consumption smoothing and sovereign debt defaults 6) Work with data on global imbalances and special topics.
Teaching format	Frontal lectures, discussions and team projects with discussions.
Module 2	25444B – M2-Industrial Organization

Lecturers	Federico Boffa federico.boffa@unibz.it Stefan Gruber stefan.gruber@unibz.it
Scientific sector of the lecturer	SECS-P/06
Teaching language	English
Office hours	Please refer to the unibz timetable
List of topics covered	<p>Basic principles of Industrial Economics: Industrial Organization and Competitive Strategy. The course will cover the following topics:</p> <ol style="list-style-type: none"> 1) Game theoretical foundations of asymmetric information 2) Consequences of asymmetric information on <ol style="list-style-type: none"> 2a: product markets 2b: corporate finance 3) Network externalities 4) Platforms: definitions and typology 5) Platforms: ratings and recommendations Complement products 6) Platforms pricing 7) Provisions of network goods 8) Sources of market power – search and switching costs
Teaching format	Frontal lectures, discussions and group presentations with discussion.

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 the role of distortions and market failure. • Understanding of the workings of markets, the economy, and firm behaviour in the economy. • Understanding incentives • Understanding choices under constraints
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Applying knowledge and understanding:

- Ability to think like an economist, that is, using the economists' criteria and categories
- Ability to understand the determinants of the current account, the nominal and real exchange rate and PPP.
- Ability to understand the impact of imbalances, trade and financial surpluses and the implications on monetary policy
- Ability to analyze the effects of different exchange rate regimes
- Ability to understand how sovereign debts are managed.
- 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 chose 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.

	<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, 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>
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 midterm exam (40%) and final exam (50%) plus teamwork (10%). 100% individual written final exam in case of missed mid-term exam.</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>

Required readings	<p><u>For M1:</u> Stephanie Schmitt-Grohé; Martín Uribe; Michael Woodford, "International Macroeconomics", Princeton University Press, 2022 Stephen D. Williamson, "Macroeconomics", Pearson, 2021</p> <p><u>For M2:</u> Paul Belleflamme, Martin Peitz, "The Economics of Platforms: concepts and strategies", Cambridge University Press, 2021 Paul Belleflamme, Martin Peitz, "Industrial Organization: markets and strategies", Cambridge University Press, 2018 Jean Tirole, "The Theory of Corporate Finance", Princeton University Press, 2006</p>
Supplementary readings	<p>Slides and handouts will be distributed on OLE and TEAMS. Additional literature will be indicated during the lectures.</p>