



APPLIES TO ACADEMIC YEAR 2005/2006

GRA 6031 Intermediate Microeconomics

Program

Master of Science in Business, Master of Science (common course), Master of Science (Financial Economics)

Responsible for the course

Dag Morten Dalen

Department

Economics

Term

According to study plan

ECTS Credits

6

Objective

The objective of the course is to advance the students knowledge of microeconomics and to give them an understanding of how microeconomic theory can be applied to shed some light on central issues within private and public decision making. The first theme is the economics of intertemporal choice and uncertainty. Here we study individual behaviour when choices involve time and uncertainty. The second theme is industrial organization. Here the focus is on strategic interaction among firms in a market. In markets with a limited number of firms, the firms are aware of the interdependence of their actions in the market place. The analytical approach to the study of strategic interaction is game theory. We study issues like entry deterrence, price wars, patent races, price-fixing conspiracies, price-discrimination. The second theme is international trade. Here we shed some light on the longstanding discussion concerning globalization and the degree of international competitiveness. The analytical approach to the study of international trade is general equilibrium.

Prerequisites

Knowledge of microeconomics from the bachelor program - SØK 9354 or equivalent

Compulsory literature

Books:

Cabral, Luis M.B.. 2000. Introduction to Industrial Organization. Cambridge: MIT Press.
Selected parts.
Varian, Hal. 2002. Intermediate microeconomics : a modern approach. 6th ed.. New york: Norton.. Selected parts.

Recommended literature

Course outline

- Intertemporal choice
- Asset Markets
- Uncertainty
- Risky assets
- Monopoly pricing
- Product differensiation
- Collusion and cartels
- Vertical relations

Computer-based tools

None, except Blackboard/homepage

Course structure

Lectures over 42 hours

Evaluation

3 hours written exam

Evaluation code(s)

GRA 60311

Aids at the examination

Bilingual dictionary

Makeup exam

Re-takes are only possible at the next time a course will be held. When course evaluation consists of class participation or process elements, the whole course must be re-evaluated when a student wants to retake an exam. Retake examinations entail an extra examination fee.