

# Microeconomics II: Course Outline

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- The focus in Micro I was on demand, supply, equilibrium and strategic interaction. In terms of *Journal of Economic Literature* (JEL) Classification this corresponds to the microeconomics sections D1-D6.
- We build on this knowledge, but enrich the analysis by **studying the role of information, behavioral choices and collective decision making**. Which corresponds to the remaining microeconomics JEL sections D7-D9.
- **Triple goal of the course**
  - First, the course aims to transmit **knowledge** of classic concepts and more cutting-edge results
  - A further goal is also transmit a set of **skills**
  - Last but not least, several of the topics covered bear insights that are particularly **policy relevant** to tackle current grand challenges of humanity (challenges to circular economy, democracy under pressure, increase in number of armed conflicts etc).

# Structure Course (for further details see syllabus)

- Course Outline (now)
- PART I – INFORMATION, KNOWLEDGE AND UNCERTAINTY
  - Section I.1: Adverse Selection
  - Section I.2: Moral Hazard
  - Section I.3: Application: Insurance
- PART II – BEHAVIORAL ECONOMICS
  - Section II.1: Big Picture
  - Section II.2: Choice Under Uncertainty
  - Section II.3: Buyers, Sellers and Markets
  - Section II.4: Time Inconsistent Preferences
- PART III – COLLECTIVE DECISION MAKING
  - Section III.1: Aggregation of Preferences
  - Section III.2: Electoral Competition
  - Section III.3: Impact of Lobbying and Other Factors
  - Section III.4: Conflict

- There are **no compulsory required readings**
- The goal is that the lecture slides and exercises contain all key information
- The syllabus contains useful references, including both textbooks and articles, which can help you to foster the understanding

- This is a 6-credit course.
- There will be both a mid-term and a final exam.
- They are both written and closed book, meaning no documents, laptops, smartphones, etc., are allowed.
- Please bring with you a non-programmable calculator.
- The better grade from the mid-term and final exam will count 60 percent and the lower of the two grades will count 40 percent of the final grade of the course.

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- Review Sessions / Office Hours

# Problem Sets

- We shall have **two problem set sessions** (or more if you like)
- You can download the questions beforehand (Moodle), and during the problem set sessions we will explain the correct answers.

# Course Website & Contact Details

- Course website on moodle
- The [website](#) contains:
  - all administrative information (including a detailed timeline of problem sets, midterm, final exam)
  - all the slides
  - all problem sets