

Lecture 1: Competitive Exchange as a Microeconomic System

SHAN GUI

FALL 2024, SHUFE

Objectives

This lecture introduces competitive exchange as a microeconomic system. Students will explore three key aspects of this system: the environment, the institutions, and the agents' choices. A classroom experiment will be conducted to deepen their understanding of these components.

Knowledge Objectives:

- Understand three elements of a microeconomics system.
- Learn key concepts like market equilibrium, institution design, and experiment.
- Familiarize students with classroom market experiments.

Skill Objectives:

- Develop the ability to compare different market institutions.
- Foster a critical perspective on market institution design.
- Encourage collaborative problem-solving and active participation in the classroom experiment.

Teaching Philosophy

Promote active learning through a combination of theoretical instruction and hands-on experiments, emphasizing the application of knowledge in real-world scenarios.

Textbooks

1. Cox, D. R. (1958) Planning of Experiments. Wiley.
2. Du. (2023) Experimental Economics: Methods and Cases. SHUFE.

Key Points and Difficult Points

- Market institution analysis and classroom experiment implementation.
- Balancing theoretical rigor with practical application and understanding the role of incentives in shaping behavior.

Teaching Methods and Strategies

- Interactive Lectures: Deliver core concepts with visual aids and examples.
- Classroom Experiments: Engage students in simulations to experience concepts first-hand.
- Group Discussions: Encourage peer-to-peer learning through discussions on case studies.