



Economics (MSc)

Vrije Universiteit Amsterdam - Fac. der Economische Wet. en Bedrijfsk. - M Economics - 2014-2015

The Master's programme in Economics is a high quality one-year programme designed for the professional economist. Questions illustrating the range of problems addressed by economics are for instance: How effective are large-scale public-sector retraining programmes in reducing unemployment? Why does poverty persist? How effective are government interventions designed to assist households exposed to income shocks? Does economic development imply the deterioration of the environment and bio-diversity, and how might this affect welfare in its broader sense? The Master's programme in Economics will equip students with the essential tools of economics and teach them how to apply these tools in real-life situations.

Read the [full description](#) of the programme or use the schedule below for information on the individual courses in the programme.

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M Economics - Development Economics

Vakken:

Naam	Periode	Credits	Code
Advanced Macroeconomics	Periode 2	6.0	E_EC_AMAEC
Advanced Methods for Applied Economic Research	Periode 1	6.0	E_EC_AMAER
Globalization, Growth and Development	Periode 4	6.0	E_EC_GGD
Human Development	Periode 4	6.0	E_EC_HDEV
Math Refresher	Ac. Jaar (september)	0.0	E_EC_MATHREF
Microeconomics for Development	Periode 2	6.0	E_EC_MED
Microeconomics for Policy	Periode 1	6.0	E_EC_MEP
Research Project Economics	Periode 3	6.0	E_EC_RPEC
Thesis	Ac. Jaar (september)	18.0	E_EC_THS
Workshop Introduction to STATA	Ac. Jaar (september)	0.0	E_EC_STATA

M Economics - Econ and Social Policy

Vakken:

Naam	Periode	Credits	Code
Advanced Macroeconomics	Periode 2	6.0	E_EC_AMAEC
Advanced Methods for Applied Economic Research	Periode 1	6.0	E_EC_AMAER
Firm Behavior and Market Structures	Periode 4	6.0	E_EC_FBMS
Labour Economics	Periode 4	6.0	E_EC_LABEC
Math Refresher	Ac. Jaar (september)	0.0	E_EC_MATHREF
Microeconomics for Policy	Periode 1	6.0	E_EC_MEP
Research Project Economics	Periode 3	6.0	E_EC_RPEC
The Welfare State and Health Economics	Periode 2	6.0	E_EC_WSHE
Thesis	Ac. Jaar (september)	18.0	E_EC_THS
Workshop Introduction to STATA	Ac. Jaar (september)	0.0	E_EC_STATA

M Economics - Internat and Macroec Pol

Vakken:

Naam	Periode	Credits	Code
Advanced Macroeconomics	Periode 2	6.0	E_EC_AMAEC
Advanced Methods for Applied Economic Research	Periode 1	6.0	E_EC_AMAER
Firm Behavior and Market Structures	Periode 4	6.0	E_EC_FBMS
Globalization, Growth and Development	Periode 4	6.0	E_EC_GGD
Math Refresher	Ac. Jaar (september)	0.0	E_EC_MATHREF
Microeconomics for Policy	Periode 1	6.0	E_EC_MEP
Policy Coordination and Decision Making in the EU	Periode 2	6.0	E_EC_PCDMEU
Research Project Economics	Periode 3	6.0	E_EC_RPEC
Thesis	Ac. Jaar (september)	18.0	E_EC_THS
Workshop Introduction to STATA	Ac. Jaar (september)	0.0	E_EC_STATA

M Economics - No specialisation

Vakken:

Naam	Periode	Credits	Code
Advanced Macroeconomics	Periode 2	6.0	E_EC_AMAEC
Advanced Methods for Applied Economic Research	Periode 1	6.0	E_EC_AMAER
Firm Behavior and Market Structures	Periode 4	6.0	E_EC_FBMS
Globalization, Growth and Development	Periode 4	6.0	E_EC_GGD
Human Development	Periode 4	6.0	E_EC_HDEV
Labour Economics	Periode 4	6.0	E_EC_LABEC
Math Refresher	Ac. Jaar (september)	0.0	E_EC_MATHREF
Microeconomics for Development	Periode 2	6.0	E_EC_MED
Microeconomics for Policy	Periode 1	6.0	E_EC_MEP
Policy Coordination and Decision Making in the EU	Periode 2	6.0	E_EC_PCDMEU
Regional and Urban Economics	Periode 2	6.0	E_STR_RUE
Research Project Economics	Periode 3	6.0	E_EC_RPEC

The Welfare State and Health Economics	Periode 2	6.0	E_EC_WSHE
Thesis	Ac. Jaar (september)	18.0	E_EC_THS
Transport Economics	Periode 4	6.0	E_STR_TREC
Workshop Introduction to STATA	Ac. Jaar (september)	0.0	E_EC_STATA

M Economics - Spatial Economics

Vakken:

Naam	Periode	Credits	Code
Advanced Macroeconomics	Periode 2	6.0	E_EC_AMAEC
Advanced Methods for Applied Economic Research	Periode 1	6.0	E_EC_AMAER
Economics of Climate Change	Periode 4	6.0	E_STR_ECC
Math Refresher	Ac. Jaar (september)	0.0	E_EC_MATHREF
Microeconomics for Policy	Periode 1	6.0	E_EC_MEP
Regional and Urban Economics	Periode 2	6.0	E_STR_RUE
Research Project Economics	Periode 3	6.0	E_EC_RPEC
Thesis	Ac. Jaar (september)	18.0	E_EC_THS
Transport Economics	Periode 4	6.0	E_STR_TREC
Workshop Introduction to STATA	Ac. Jaar (september)	0.0	E_EC_STATA

Advanced Macroeconomics

Vakcode	E_EC_AMAEC (60422010)
Periode	Periode 2
Credits	6.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	prof. dr. P.A. Gautier
Examinator	prof. dr. P.A. Gautier
Docent(en)	prof. dr. P.A. Gautier
Lesmethode(n)	Hoorcollege
Niveau	400

Doel vak

The students will be able to actively read current literature and embark on their own research projects using the knowledge gained about the analytical, mathematical, and statistical tools of modern macroeconomics. The tools include dynamic optimization, signal extraction, Nash bargaining, and the basic building blocks of DSGE

models.

Inhoud vak

This course provides coverage at an advanced level of the building blocks of macro economics. Models of economic growth will be built up from inter- temporal optimisation decisions of firms and households. The basic model will be extended to take into account the effects on growth of investment in knowledge (R& D, education). Next, the course will present the tools of Real Business Cycle analysis and recent applications. Finally, the course will present the current state of work in New Keynesian economics and its implications for cyclical fluctuations, the functioning of the labor market and the conduct of monetary policy.

Onderwijsvorm

lecture

Toetsvorm

written interim examination
plus problem sets.

Literatuur

Romer, David Advanced Macro Economics. 3rd edition, McGraw Hill.

Advanced Methods for Applied Economic Research

Vakcode	E_EC_AMAER (60422070)
Periode	Periode 1
Credits	6.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	prof. dr. B. van der Klaauw
Examinator	prof. dr. B. van der Klaauw
Docent(en)	prof. dr. B. van der Klaauw
Lesmethode(n)	Hoorcollege, Werkgroep
Niveau	400

Doel vak

After the course students should be able to critically evaluate the quality of empirical research in economic applications. Furthermore, they should be capable of performing empirical research themselves, for example, for their thesis. The latter implies that they can decide about the appropriate model, are aware of the strength and weaknesses of the model and can estimate its parameters.

Inhoud vak

This course aims to make students familiar with various microeconomic methods. These methods are often used in economic research, both to test predictions from economic theory and to assess the effectiveness of economic policy. During the course attention will be devoted both to the theory underlying the different techniques and the practical application. The software package Stata will be used for the empirical applications. An important aspect of the course is that students learn how to interpret estimation results.

Onderwijsvorm

Lecture
Practical assignments

Toetsvorm

The practical homework assignments count for 20% of the final grade, the written exam for the other 80%. However, this is only the case if (1) the exam grade is lower than the grade for the homework assignments, and (2) the exam grade exceeds 5.0. If both conditions are not met, the final grade is the exam grade.

Literatuur

Stock, J.H. and M.W. Watson, Introduction to Econometrics. Pearson Education Inc., 3rd edition, 2012

Vereiste voorkennis

Introductory course in econometrics at Bachelor level.

Aanbevolen voorkennis

Common used statistical tests and simple regression analysis.

Overige informatie

Students who are not familiar with the software package STATA are encouraged to attend the workshop "Introduction to Stata".

Economics of Climate Change

Vakcode	E_STR_ECC ()
Periode	Periode 4
Credits	6.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	dr. S. Poelhekke
Examinator	dr. S. Poelhekke
Docent(en)	prof. dr. R.S.J. Tol, dr. S. Poelhekke
Lesmethode(n)	Hoorcollege
Niveau	400

Doel vak

Environmental problems can be of a local, a regional or a global nature. This course focuses on global issues. Two of the most important global environmental problems are the enhanced greenhouse effect and the relationship between international trade and the environment. This course aims to provide the student with a deeper insight in these issues, with a focus on environmental policy making in a globalizing world.

After having completed this course, you

- have a deep understanding of the fundamental difficulties and complexities of environmental policy making in an international context
- have gained insights in the economics of international agreements and international trade
- are able to apply to theory to cases such as climate change,

acidification and ozone depletion

- have sharpened your economic analysis in the group discussions and improved your presentations skills

Inhoud vak

The course consists of lecturers teaching the state-of-the-art, and students giving presentations on seminal papers in the literature.

The lectures cover the following topics (provisional scheme)

- Introduction: Externalities and environmental policy
- Trade the environment: pollution havens versus factor endowments
- International environmental agreements
- Economic impacts of climate change
- Climate change policy making: instruments and costs
- The economics of acidification and ozone depletion

The first six classes are on the relationship between trade and the environment. Common wisdom is that trade is the source of many environmental problems. One of the main reasons for this is that governments are afraid that domestic environmental policies will reduce the home economy's international competitiveness and hence environmental policies are set too lax. In the first four lectures we analyze to what extent this fear is correct, both theoretically and empirically. We compare how the trade-off between international competitiveness and the environment depends on the type of pollutant (local pollutants such as PM10, or transboundary pollutants, such as SO₂) as well as on the size of the domestic economy. In lectures 5 and 6 we turn to the issue of international agreements. Writing down a protocol which requires countries to reduce their emissions of CO₂ or SO₂ is easy (see for example the Kyoto Protocol and the Sofia Protocol), but what are the incentives for countries to actually join the coalition? And what is the role of trade sanctions therein?

The last eight lectures are on the economics of climate change and climate policy, and also on the problems of acidification and ozone depletion. The following subjects are analysed. What is climate change, and what are its causes and consequences? What are the economic impacts of climate change? What are the costs of emission reduction? How can emission reductions be achieved? What lessons do acidification and ozone policy hold for climate policy? What is optimal and equitable climate policy? How likely is this in reality? Are there effective and acceptable alternatives to optimal climate policy?

Toetsvorm

written interim examination

Literatuur

Articles (tba).

Vereiste voorkennis

Microeconomics.

Firm Behavior and Market Structures

Vakcode	E_EC_FBMS (60422020)
Periode	Periode 4

Credits	6.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	dr. E.I. Motchenkova
Examinator	dr. E.I. Motchenkova
Docent(en)	dr. E.I. Motchenkova
Lesmethode(n)	Hoorcollege
Niveau	400

Doel vak

This course is designed to give students an overview of the mainstream theory of Industrial Organization.

After following this course, students

- can define and recognize main types and determinants of market structure
- can name and explain the determinants of the actions taken by firms and are able to explain the relationships between firms' actions and market outcomes
- are able to apply mathematics, game theory, welfare analysis and micro-economic tools to analyze the problem of collusion, entry and exit decisions, vertical control, product differentiation, and adoption of new technologies issues
- can describe and analyze (both analytically and graphically) the main models used for analysis of strategic behavior of firms under asymmetric information
- are able to determine optimal firm and regulator behavior conditional on the type of market structure and nature of competition in the market and draw policy conclusions

Inhoud vak

Many markets of interest are dominated by only few firms. These firms not only choose their prices and outputs, but also the quality and design of their products, engage in advertising campaigns and make investments in R&D. They also decide on whether to enter or exit markets, whether to merge, vertically integrate, or to collude with rival firms. These choices have strong effects on the markets, in which firms operate, and may also have wider repercussions throughout the economy. This course presents an approach - based on strategic decision making - for understanding the functioning of such markets. We also use this approach to clarify the role of the government in regulating economic activity.

This course is designed to give students an overview of the mainstream theory of Industrial Organization, to provide students with insights in the organization of markets, and to give an overview of the main analytical tools used for analysis of imperfectly competitive markets. The course is primarily theoretical. At the same time, a number of empirical and experimental results will be discussed.

Part 1 of the course concerns non-strategic industrial organization and consists of the theory of the firm, analysis of monopoly power, price discrimination and vertical integration. Part 2 studies strategic industrial organization. The topics are static oligopoly models, dynamic price competition, spatial competition and advertising, incumbent/entrant behavior, R&D and adoption of new technologies. Also

substantial attention will be devoted to applications of the IO tools for analysis of antitrust policy. There we will focus on European and US competition law, collusion, abuse of dominant position, and mergers.

Onderwijsvorm

Lectures and Workshops

Toetsvorm

written interim examination - 80 percent of the final grade

problem sets and seminar presentations - 20 percent of the final grade

Literatuur

Tirole, J. (1988), The Theory of Industrial Organization. MIT Press.

Motta, M. (2004), Competition Policy: Theory and Practice, Cambridge University Press.

Reader with articles provided on Black Board

Vereiste voorkennis

Microeconomics course

Aanbevolen voorkennis

Bachelor level courses in Industrial Organization

Globalization, Growth and Development

Vakcode	E_EC_GGD (60442050)
Periode	Periode 4
Credits	6.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	prof. dr. C.T.M. Elbers
Examinator	prof. dr. C.T.M. Elbers
Docent(en)	prof. dr. C.T.M. Elbers
Lesmethode(n)	Hoorcollege
Niveau	400

Doel vak

Aim of the course is to study aspects of globalization, growth and development that are fruitfully studied from the perspective of the economics discipline. After following the course the student will

- know the basic facts concerning the topics discussed in the course
- have a thorough understanding of these topics, in particular their economic dimension
- have learnt various empirical research techniques that can be applied within this field of economics
- be able to present and discuss current journal articles and book chapters on globalization

Inhoud vak

Globalization poses both challenges and offers opportunities to rich and poor countries. The course focuses on a number of themes that have been central in the academic and public discussion of recent trends in the world economy. Among them are:

- Relationship between growth, trade and poverty

- Globalization and inequality
- Trade shocks, resources and civil conflict
- Environmental and labour standards
- Volatility of terms-of-trade
- Institutions
- Migration
- Financial stability

More topics in globalization are introduced in the course in the form of student presentations. The course stresses the importance of empirical research and devotes significant time to the empirical strategies that have been used by researchers in studying globalization.

Onderwijsvorm

Lectures, Student Presentations and Discussions

Literatuur

Selected articles

Vereiste voorkennis

Advanced Macroeconomics 4.2 and International Economics 3.2

Human Development

Vakcode	E_EC_HDEV (60442130)
Periode	Periode 4
Credits	6.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Lesmethode(n)	Hoorcollege
Niveau	400

Doel vak

An active study of the advanced literature of the human development aspects of development economics, the branch of economics that focusses on the specific economic problems of less developed nations. A thorough exercise in independently formulating and studying relevant research issues and analysing in a constructive and critical manner the problems of development economics in the human development context.

Inhoud vak

'The central message of the HD Report is that while growth in national production (GDP) is absolutely necessary to meet all essential human objectives, what is important is to study how this growth translates or fails to translate into human development in various societies' (Human Development Report 1990). The introduction of the notion of Human Development has (re)focused the general development debate on issues other than economic (GDP) growth. Most notably, all efforts to measure human development include, beside growth and distribution (poverty) variables, measures of health and education. This course will provide the student with a thorough economic understanding of the various dimensions of human development. Based on the foundations of the economics of education, the economics of health (and health care), and the economics of poverty, we will study the various dimensions of human development and their interaction with poverty alleviation. Measurement issues of human development and of poverty will be introduced, as well as comprehensive policies that lead to or hamper human development. At

the end, using the notion of human development, the student should be able to analyze the socio- economic status of a country, and, based on that information, sketch the broad outline of a viable human development policy.

Onderwijsvorm

Course taught at the UvA.

Toetsvorm

Written examination and a presentation.

Literatuur

Articles provided during the course.

Aanbevolen voorkennis

Proven knowledge of basic micro economics and basic applied econometrics

Overige informatie

Co-ordinator: prof dr. van der Gaag (UvA)

Labour Economics

Vakcode	E_EC_LABELC (60422030)
Periode	Periode 4
Credits	6.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	dr. A.P. van Vuuren
Examinator	dr. A.P. van Vuuren
Docent(en)	dr. A.P. van Vuuren
Lesmethode(n)	Hoorcollege
Niveau	400

Doel vak

This course provides an analysis of recent theories in labour economics that focus on labour supply, involuntary unemployment, wage determination, and (private) investments in education. In addition, the course focuses on the impact of government policy such as unemployment benefits and the tax system. The course enables students to get well acquainted with the recent scientific literature on the functioning of the labour market as well as with the empirical policy oriented literature.

By the end of the course the student will

- be able to understand the recent developments in human capital theory, search theory and the economics of discrimination.
- be able to understand the technical difficulties related to the estimation of the returns to education, the impact of active labour market programs, the determinants of the reservation wage and the level of as well as the causes for discrimination.
- understand why individuals invest in education and why a large part of government spending is related to education. In addition the student will understand why the education levels in the United States are in general higher, while the costs of education are higher as well.

- understand the impact of policy instruments on the search behaviour of individuals.
- be able to do individual empirical analysis and write a report on the topics of human capital theory, search theory and the economics of discrimination.

Inhoud vak

This course is subdivided into three topics: (1) human capital theory, (2) search theory, and (3) the economics of discrimination.

The first topic analyses the individual decision making of education as well as the impact of education on society. The empirical analysis looks at the returns to education. The final part of this topic deals with active labour market programs.

The second topic looks at the recent developments in search theory. A basic model is constructed and with this model the impact of on- the-job search as well as sanctions is analyzed. The topic ends with the empirical analysis of the determinants of the reservation wage.

The final topic looks at the causes for discrimination and a theoretical model is built to understand their impact. The empirical analysis looks at the Oaxaca- Blinder decomposition method and the impact of selection is discussed.

Onderwijsvorm

lecture

Toetsvorm

written interim examination

75 percent

interim (written report on empirical study)

25 percent

Literatuur

To be determined.

Math Refresher

Vakcode	E_EC_MATHREF ()
Periode	Ac. Jaar (september)
Credits	0.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	S. Kucinkas MPhil
Examinator	S. Kucinkas MPhil
Lesmethode(n)	Hoorcollege

Inhoud vak

In the programmes of the MSc Economics and the MSc Spatial, Transport and Environmental Economics (STREEM) a certain level of knowledge on mathematics is assumed. The Math Refresher aims at refreshing this knowledge, so that the math used in the courses will be no obstacle to complete the courses of the programme successfully.

The Math Refresher consists of three lectures and three exercise classes, all in one week. This is the week before the courses in the first block start.

In these three lectures all necessary topics will be covered. The exercises classes offer the opportunity to students to ask questions about the homework exercises.

As the Math Refresher is an optional preparatory course, students cannot earn credits for this course and there will also be no examination.

Students are free to attend only those lectures that discuss the topics they need to refresh.

The topics that will be covered are:

- Topic 1: functions and their properties, differentiation and integration
- Topic 2: exponential growth and present value, optimization (Lagrange, Kuhn-Tucker)
- Topic 3: basics of linear algebra, probability (distributions, moments)

You don't need to enroll for the Math Refresher, just come to the class. For the schedule please look at blackboard.

Onderwijsvorm

lecture
exercise classes

Toetsvorm

There is no assessment

Literatuur

This preparatory course does not use a particular textbook. As background reading any textbook on mathematics for economists will do. If you don't have such a textbook and want to buy one:
Knut Sydsaeter & Peter Hammond, Essential Mathematics for Economic Analysis. Prentice Hall.

Overige informatie

This course will take place in the last week of August. See blackboard for more information and course materials.

Microeconomics for Development

Vakcode	E_EC_MED (60422090)
Periode	Periode 2
Credits	6.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	dr. R.H. Oostendorp
Examinator	dr. R.H. Oostendorp
Docent(en)	prof. dr. C.T.M. Elbers, dr. R.H. Oostendorp
Lesmethode(n)	Hoorcollege
Niveau	400

Doel vak

In this course we apply microeconomics to topics in development economics. The aim is not to be complete, but to select a number of well- studied topics, stressing their empirical foundation as well as the role of policy. Students should be able to:

- demonstrate knowledge and understanding of microeconomic principles underlying economic development
- have a good understanding of empirical strategies to identify microeconomic foundations of development
- demonstrate an ability to derive policy implications from microeconomic development analysis

Inhoud vak

The concepts and measurement of poverty and principles of targeting for poverty alleviation will be extensively discussed as well as methods for evaluating the impact of policy. The impact of market imperfections, particularly for handling risk, on firm and household behaviour will be covered, including a discussion of consumption smoothing, risk-sharing, diversification and microfinance strategies. The principal-agent relationship between donors and recipients of foreign aid will be illustrated with a discussion of elite capture and the measurement and costs of corruption. During the course, extensive use will be made of empirical evidence.

Onderwijsvorm

lecture

Toetsvorm

written interim examination

Literatuur

Selected articles to be announced.

Vereiste voorkennis

- Microeconomics for Policy, code 60412020
- Advanced Methods for Applied Economic Research, code 60422070

Microeconomics for Policy

Vakcode	E_EC_MEP (60412020)
Periode	Periode 1
Credits	6.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	dr. S. Hochguertel
Examinator	dr. S. Hochguertel
Docent(en)	dr. S. Hochguertel, M. Wiegand
Lesmethode(n)	Hoorcollege, Werkgroep
Niveau	400

Doel vak

Firms and consumers make choices for themselves and interact in various ways in the market place. The government anticipates on incentive and behavior and may see reason and possibility to influence individual

decisions and market outcomes.

This course prepares the theoretical groundwork for microeconomic policy courses elsewhere in the MSc Economics curriculum, highlighting traditional economic approaches, their normative foundations, and recent theories of information economics.

By the end of the course the student will:

- be familiar with the main, unifying microeconomics principles, and know how to analyze microeconomic problems using mathematical tools
- know the main concepts of consumer choice and firm behavior, and their relevance for equilibrium and welfare analysis
- be able to evaluate economic policy with regard to efficiency and equity and know of the limitations to economic policy
- know of core arguments from the economics of information and incentives and be familiar with basic features of efficient contracts - have a basic understanding of strategic choice modeling (game theory) and policy implementation issues (mechanism design)
- know of possibilities and limitations in applied policy fields, such as welfare analysis, and auctions

Inhoud vak

This course focuses on modeling and requires substantial math skills (in particular calculus). Traditional topics (part I) include the theory of the firm, consumer choice and demand, partial and general equilibrium analysis and aspects of market failure. Part II covers game theory, the economics of information, including risk and insurance under symmetric and asymmetric information, as well as the economics of information and incentives. The course prepares for a number of core policy fields such as: concepts and measurement of household welfare, issues of taxation and social policy, and competition policy and regulation of industry.

Onderwijsvorm

lecture
tutorial
and various methods of testing and self-assessment

Toetsvorm

Written interim examination (min 85 percent) tutorial (max 15 percent). Students may request their tutorial grade to be taken into account (at a weight of 15%) if their exam grade equals 5.0 or higher.

Literatuur

Lecture notes and articles (details: t.b.a.); every student should have at hand a copy of Snyder and Nicholson, *Microeconomic Theory: Basic Principles and Extensions*, 11th ed., that serves as core background reference.

Vereiste voorkennis

Familiarity with Microeconomics at the level of Varian, H. R. *Intermediate Microeconomics*. 8th edition. W. W. Norton, 2010.

Familiarity with Mathematics at the level of Sydsaeter, Knut and Hammond, *Essential Mathematics for Economic Analysis*, Prentice Hall, 3rd ed., 2008

Aanbevolen voorkennis

Students wishing to refresh their math skills are strongly encouraged to attend the course "Math Refresher", starting end of August (details t.b.a.).

For more information about Math Refresher, see Blackboard.

Overige informatie

Last update: June 16, 2014

Policy Coordination and Decision Making in the EU

Vakcode	E_EC_PCDMEU (60422040)
Periode	Periode 2
Credits	6.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	B.A. Brugemann
Examinator	B.A. Brugemann
Docent(en)	B.A. Brugemann
Lesmethode(n)	Hoorcollege
Niveau	400

Doel vak

After this course you will have:

- Ability to contribute to the debate about the future of EMU based on solid economic insights and analysis
- Knowledge of institutional aspects of monetary, fiscal, and financial policy in the EU
- Knowledge of relevant theories and empirical evidence concerning monetary, fiscal, and financial decision making in the EU
- Improved writing skills through development of a policy brief

Inhoud vak

The ongoing crisis of the Eurozone has exposed important weaknesses in the construction of the Economic and Monetary Union of the European Union (EMU). In this course we will study policy coordination and decision making in the EU, covering monetary policy, fiscal policy, and financial policy. To develop a well-rounded understanding of the issues, we will study relevant economic theories, examine the pertinent empirical evidence, and take into account key institutional aspects. The key objective of the course is to develop your ability to contribute to the debate about macroeconomic policy in Europe based on solid economic insights and analysis. You will practice this ability along with your writing skills through the development of a policy brief.

The course consists of three parts, focusing on monetary, fiscal, and financial policy, respectively.

Each part is largely self-contained. The first part on monetary policy is taught by Björn Brügemann (VU). In the second part, Arjan Lejour of the Centraal Planbureau (CPB) will focus on fiscal policy and institutions. In the final part, Neeltje van Horen of the Nederlandsche Bank (DNB) will focus on the financial sector.

Onderwijsvorm

Discussion of Readings, Assignments, Lecture

Toetsvorm

Written Exam, Writing of Policy Brief

Literatuur

There is no textbook. The readings consist primarily of academic articles. Central readings are:

- Corsetti, G. and Pesenti, P. (2009). The simple geometry of transmission and stabilization in closed and open economies. In NBER International Seminar on Macroeconomics 200, University of Chicago Press.
- Oates, W. E. (2005). Toward a second-generation theory of scal federalism. *International tax and public nance*, 12(4):349–373.
- Bernanke, B. S. and Gertler, M. (1995). Inside the black box: The credit channel of monetary policy transmission. *Journal of Economic Perspectives*, 9(4):27–48.

Vereiste voorkennis

Bachelor economics or another bachelor plus premaster.

Aanbevolen voorkennis

Good knowledge of macro- and microeconomics as well as methods of empirical analysis.

Regional and Urban Economics

Vakcode	E_STR_RUE (60442140)
Periode	Periode 2
Credits	6.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	prof. dr. H.L.F. de Groot
Examinator	prof. dr. H.L.F. de Groot
Docent(en)	prof. dr. H.L.F. de Groot, prof. dr. J. Rouwendal
Lesmethode(n)	Hoorcollege
Niveau	400

Doel vak

The aim of this course is to provide students with an advanced introduction in the field of regional and urban economics. Students learn the theoretical and empirical methods applied in the field, and get a good understanding of the fundamental questions that are addressed in the field and the current state of affairs in the literature. They are trained to critically read and properly understand contributions in the leading journals in the field. At a more specific level, after having taken this course, students have a good understanding of the New Economic Geography Model, are familiar with the theoretical foundations of agglomeration economies and their empirical evidence, understand the theoretical foundations of and can apply spatial interaction modelling, are familiar with regional growth theories, understand the function of regional labour and housing markets, and have a good understanding of the determinants of urban structures.

Inhoud vak

This course covers advanced topics in theoretical and empirical research on regional and urban economics. Key issues are location and potential reasons for clustering of economic activity, spatial interaction (migration, trade, FDI and commuting), patterns of regional economic convergence and divergence, the role of geographic factors in explaining regional economic growth performance, the impact of (spatial) externalities of knowledge production, urban size and growth, urban land use, housing markets and the functioning of regional labour markets. The topics are addressed from a theoretical as well as an empirical perspective.

Onderwijsvorm

lecture
tutorial

Literatuur

- Brakman, S., J.H. Garretsen and C. van Marrewijk (2009): *The New Introduction to Geographical Economics*, Cambridge University Press, Cambridge.
- Ciccone, A. and R.E. Hall (1996): 'Productivity and the Density of Economic Activity', *American Economic Review*, 86, pp. 54-70.
- Gallup, J.L., J.D. Sachs and A.D. Mellinger (1999): 'Geography and Economic Development', *International Regional Science Review*, 22, pp. 179-232.
- Glaeser, E.L. and M.E. Kahn (2003): 'Sprawl and Urban Growth', in: J.V. Henderson and J.-F. Thisse (eds), *Handbook of Urban and Regional Economics*, Volume 4, Chapter 56, Elsevier, Amsterdam.
- Glaeser, E.L., H.D. Kallal, J.A. Scheinkman and A. Shleifer (1992): 'Growth in Cities', *Journal of Political Economy*, 100, pp. 1126-1151.
- Krugman, P. (1991): 'History and Industry Location: The Case of the US Manufacturing Belt', *American Economic Review*, 81, pp. 80-83.

Research Project Economics

Vakcode	E_EC_RPEC (60432020)
Periode	Periode 3
Credits	6.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	dr. S. Hochguertel
Examinator	dr. S. Hochguertel
Lesmethode(n)	Werkgroep
Niveau	400

Doel vak

During this period, the student writes and presents an academic paper based on a literature review.

The goal is to strengthen some essential practical skills that characterize a good economist, namely the ability to master a certain field of literature and to identify the relative contributions of different articles to this field, as well as to identify remaining blind spots, and the ability to present this knowledge in a structured way, both as a written report and in the form of an oral presentation.

Specific learning outcomes upon completion of this curricular item:

- Students are able to identify relevant economic issues, to formulate appropriate research questions, and to proceed to a plan for implementation to answer their question
- Students have developed a feel for what makes a good and useful model and in what context to use it. They have acquired a critical attitude towards scientific literature.
- Students have developed a critical attitude to relevance and shortcomings of empirical data compared to theoretical requirements, and have become aware of limitations in insights that can be gained from theoretical reasoning alone when addressing real- life issues
- Students are able to work independently, and are able to present their findings to both expert and non- expert audiences

Inhoud vak

During this research project, students are asked to review a coherent set of around 10 scientific papers (approximately 250 pages), to reflect on them and put them into perspective, and to write a critical evaluation (of around 10 pages in normal print) in which they present the essence of the papers studied, discuss the relatively strong and weak aspects of the different papers, where relevant compare and confront the different insights from the different papers, and identify issues for possible further analysis. The project closes with a presentation to fellow students and faculty.

Domain: any area of economics, preferably where sufficient faculty expertise for supervision is available.

Toetsvorm

paper
and presentation (single grade).

Literatuur

None specified ex ante.

The Welfare State and Health Economics

Vakcode	E_EC_WSHE (60422120)
Periode	Periode 2
Credits	6.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	prof. dr. M. Lindeboom
Examinator	prof. dr. M. Lindeboom
Docent(en)	prof. dr. M. Lindeboom
Lesmethode(n)	Hoorcollege
Niveau	400

Doel vak

The design of the different programs of the welfare state (such as unemployment insurance, disability insurance and health care) an enormous impact on the individual well being and individual behavior. The design of social insurances is complicated by a trade- off between

providing a decent coverage to the population and the existence of moral hazard and adverse selection problems. Together with economic and demographic changes such as aging this provides challenges for policy makers. In this course, we will consider the contribution economists can make to the design of equitable and efficient social policies in the presence of such challenges.

After following this course, you:

- Have an overview of the different welfare state models that exist in the modern world
- Understand the consequences of the welfare state for individual behavior and individual well-being
- Are able to use economic arguments for government intervention in different parts of the welfare state
- Are able to evaluate welfare state programs and to apply economic arguments to advise (policymakers) on how to improve welfare state programs that face economic and demographic challenges.

Inhoud vak

This course discusses the Welfare State and social insurances and policies in the field of unemployment, disability, pensions, sickness and the provision of health care. The design of social insurances is complicated by a trade-off between providing a decent coverage to the population and the existence of moral hazard and adverse selection problems. Together with economic and demographic changes such as aging this provides challenges for policy makers. There exist marked differences in institutions of the Welfare Systems across OECD countries and these differences may be of relevance in explaining across country variation in relevant social outcomes. In this course, we will consider the contribution economists can make to the design of equitable and efficient social policies in the presence of such challenges.

Onderwijsvorm

lecture

Toetsvorm

written interim examination

Literatuur

To be announced.

Thesis

Vakcode	E_EC_THS ()
Periode	Ac. Jaar (september)
Credits	18.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	dr. S. Hochguertel
Examinator	dr. S. Hochguertel
Niveau	500

Doel vak

The final thesis is a capstone product in which the student demonstrates her or his abilities (i) to conduct independent academic research on a specific question that is of substantive interest to the field of economics, and (ii) to provide a sufficiently deep and thoroughly documented, yet focused answer to that research question.

At a lower, more pragmatic level, the thesis can continue on the same (broadly defined) topic as is chosen for the module "Research Project". However, the thesis emphasizes the creation of an original contribution that goes clearly beyond what can be found elsewhere in the literature.

Inhoud vak

The student develops and writes the thesis under close supervision of a faculty member. The thesis is submitted in the form of an academic paper. The following aspects shall receive due consideration:

Tools: The student must be able to select and apply the appropriate research method for answering the research question. The research activities should adhere to high academic and ethical standards. Tools of analysis include applied statistical and econometric methods for work using economic data, and/or tools of theoretical economic modeling.

Interpretation: the student should be able to put findings into a theoretical, practical and ethical perspective. He or she should also be able to frankly reveal the limitations of own work and formulate critically constructive questions about the work of others.

Independence: the student must be able to work independently under supervision, and possess the intellectual capabilities required for self-directed learning to broach new if related areas of scientific inquiry.

Presentation: the student must be proficient in academic writing and expository presentation of results.

Onderwijsvorm

Individual supervision by faculty member.

Toetsvorm

Paper and presentation in public (single grade); subcriteria apply.

Literatuur

n.a.

Vereiste voorkennis

None.

Aanbevolen voorkennis

Microeconomics for Policy; Advanced Methods for Applied Economic Research; Advanced Macroeconomics; Research Project

Transport Economics

Vakcode	E_STR_TREC (60432050)
Periode	Periode 4
Credits	6.0

Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	dr. A.J.H. Pels
Examinator	dr. A.J.H. Pels
Docent(en)	dr. A.J.H. Pels
Lesmethode(n)	Hoorcollege
Niveau	400

Doel vak

The aim of this course is to provide students with an advanced knowledge of contemporary transport economics, considering both intra-city transport (e.g. congested road traffic, urban transit) and inter-city transport (notably aviation). Students

- learn theoretical and empirical methods applied in the field of transport economics and in related fields, such as transport planning.
- get a good understanding of the fundamental policy questions that are addressed in the field, and the methods with which these are addressed.
- learn the current state of affairs in the literature.

are trained to critically read and properly understand contributions in the leading journals in the field.

Inhoud vak

This course covers advanced topics in theoretical and empirical research on urban transport economics. Key issues are demand analysis; cost functions and scale economies for various modes; congestion analysis in static and dynamic formulations; network equilibrium and optimum for deterministic and stochastic network models; first-best and second-best pricing in static and dynamic networks; investment analysis under first-best and second-best pricing; and industrial organization aspects of intra-city (e.g. roads and transit) and inter-city (e.g. airports and airlines) transport. The topics are addressed from a theoretical as well as an empirical perspective.

Toetsvorm

written interim examination: 70 percent

assignments: 30 percent (paper review tutorial 10 percent, network optimization tutorial 10 percent, methods tutorial 10 percent)

Literatuur

- Small, K.A. and E.T. Verhoef, The Economics of Urban Transportation. Routledge, 2007.

- Additional literature for more specialized topics will be announced at the start of the course.

Aanbevolen voorkennis

Microeconomics for spatial policy or a similar course

Workshop Introduction to STATA

Vakcode	E_EC_STATA ()
Periode	Ac. Jaar (september)
Credits	0.0
Voertaal	Engels

Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	Z. Tanovic MSc
Examinator	Z. Tanovic MSc
Lesmethode(n)	Hoorcollege

Inhoud vak

In the courses Advanced Methods for Applied Economic Research and Advanced Methods for Applied Spatial Economic Research you will work on homework assignments using the software package STATA. The Workshop Introduction to STATA is aimed at students that are not familiar with this software.

Students will be introduced to the main features of Stata, straddling basics of data management, data description and data analysis. Teaching will (partly) be conducted hands-on in a computerlab.

Onderwijsvorm

instruction
hands-on session in computerlab

Toetsvorm

There is no assessment

Literatuur

This preparatory course uses the Introduction to STATA guide that can be downloaded from blackboard.

Overige informatie

This course will take place in the last week of August. See blackboard for more information and course materials.