



## GRADUATE SCHOOL

### **GM0740 Advanced Microeconomic Theory 2, 7.5 credits**

Avancerad mikroteori 2, 7,5 högskolepoäng

*Second Cycle*

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#### **Confirmation**

This course syllabus was confirmed by Graduate School on 2021-09-27 and was last revised on 2022-06-14 to be valid from 2023-01-16, spring semester of 2023.

*Field of education:* Social Sciences 100%

*Department:* Graduate School

#### **Position in the educational system**

The course Advanced Microeconomic Theory 2, is a course within the Master of Science programmes at the Graduate School, School of Business, Economics and Law, University of Gothenburg.

*Main field of studies*

Economics

*Specialization*

A1N, Second cycle, has only first-cycle course/s as entry requirements

#### **Entry requirements**

To be eligible for the course Advanced Microeconomic Theory 2 the participant must fulfil the entrance qualifications for the Master of Science programme in Economics or the Master of Science programme in Finance. For programme specific entrance requirements, see programme syllabus.

#### **Learning outcomes**

On successful completion of the course, the student will be able to:

1. analyze how markets and firms operate under imperfect competition and incomplete information
2. read and understand research articles using the modern analytical tools of game

theory, contract theory and behavioral economics applied to the study of markets, firms and public authorities.

### **Course content**

Advanced Microeconomic Theory II is a continuation of Advanced Microeconomic Theory, introducing more realism to the analysis of how markets, firms and public authorities work. We discuss market forms such as monopoly, oligopoly, bargaining and auctions. We study the internal operation of firms and organizations.

We will acknowledge that peoples' choices are often interdependent, in the sense that one person's best choice often depends on what other people do, as well as the fact that people often lack all the information they need to make their decisions. We also study limits to human rationality and the role of pro-social preferences.

The course builds on recent advancements in economic theory and introduces basic game theory, contract theory and behavioral economics. The course is modeled after the Microeconomic II courses typically given in Ph.D. programs.

### **Form of teaching**

Lectures and problem sets.

*Language of instruction:* English

### **Assessment**

Learning outcome 1 and 2 are assessed through a written individual exam.

Individual exams shall be written individually, cooperation in formulating text, tables, figures etc. is not allowed.

A student who has taken two exams in a course or part of a course without obtaining a pass grade is entitled to the nomination of another examiner. The student needs to contact the department for a new examiner, preferably in writing, and this should be approved by the department unless there are special reasons to the contrary (Chapter 6 Section 22 of the Higher Education Ordinance).

If a student has received a recommendation from the University of Gothenburg for special educational support, where it is compatible with the learning outcomes of the course and provided that no unreasonable resources are required, the examiner may decide to allow the student to sit an adjusted exam or alternative form of assessment.

In the event that a course has ceased or undergone major changes, students are to be guaranteed at least three examination sessions (including the ordinary examination session) over a period of at least one year, but no more than two years, after the course

has ceased/been changed.

The number of examinations is limited to five.

**Grades**

The grading scale comprises: Excellent (A), Very good (B), Good (C), Satisfactory (D), Sufficient (E) and Fail (F).

The grade (A-E) corresponds to the total score a student obtains on the written individual exam.

**Course evaluation**

The course will be evaluated upon completion. The results of and possible changes to the course will be shared with students who participated in the evaluation and students who are starting the course.