



### **Studying Economics at St Anne's College**

Visiting Students applying to study Economics need to have a foundation in economics when they apply. Successful completion of an Introduction course(s) in Micro and/or Macro Economics are usually required for all courses and ideally, an applicant has taken further courses in both Micro and Macro Economics or other higher-level economics courses. Ideally, applicants have also taken some University level maths courses.

If you are offered a place to study economics at St Anne's you will study 2 courses per term. Students will attend lectures, classes and tutorials for each of their courses. All Economics courses are intended to have 8 course meetings and these may be a combination of small classes and tutorials.

On occasion lectures and tutorials may take place during different terms and it's necessary to be able to attend the lectures as well as tutorials and classes to benefit from the experience of studying economics at Oxford.

The following courses are recommended to Visiting Students.

### **Extended Academic Year:**

During September - The Making and Unmaking of Modern Britain course followed by Economics courses for the remainder of the year. You can also combine this course with Politics, Philosophy and Economics (PPE) or with History and Economics, choosing from the courses below for the Economics component of your studies.

### **Academic Year:**

If you are attending for a full academic year you will study 6 courses, 2 courses for each term from the list below. Please nominate 8 options, spread across the terms, in preference order on your application form.

	<u>Lectures</u>	<u>Tutorials/classes</u>
Behavioural and Experimental Economics	Michaelmas	Michaelmas and Hilary
Econometrics	Michaelmas	Michaelmas
Economics of Industry	Michaelmas	Michaelmas
International Economics	Michaelmas	Michaelmas, sometimes Hilary or Trinity
Microeconomics	Michaelmas	Michaelmas
Money and Banking	Michaelmas	Michaelmas, sometimes Hilary
Public Economics	Michaelmas	Michaelmas and Hilary
Economics of Developing Countries	Hilary	Hilary
Game Theory	Hilary	Hilary
Finance	Hilary	Hilary
Labour Economics and Industrial Relations	Hilary	Hilary
Microeconomic Analysis	Hilary	Hilary
Macroeconomics	Hilary	Hilary
Development of the World Economy since 1800	Trinity	Michaelmas, Hilary, Trinity
Quantitative Economics	Trinity	Trinity (classes only, no tutorials)

### **Michaelmas term only:**

If you are attending for Michaelmas you will study 2 courses from the list below – please nominate 5 choices in preference order on your application form -

	<u>Lectures</u>	<u>Tutorials/classes</u>
Behavioural and Experimental Economics	Michaelmas	Michaelmas and Hilary
Econometrics	Michaelmas	Michaelmas
Economics of Industry	Michaelmas	Michaelmas
International Economics	Michaelmas	Michaelmas, sometimes Hilary or Trinity
Microeconomics	Michaelmas	Michaelmas
Money and Banking	Michaelmas	Michaelmas, sometimes Hilary
Public Economics	Michaelmas	Michaelmas and Hilary

### **Hilary and Trinity term only:**

If you are attending for Hilary and Trinity you will study 4 courses, 2 in each term from the list below – please nominate 5 choices in preference order on your application form -

	<u>Lectures</u>	<u>Tutorials/classes</u>
Economics of Developing Countries	Hilary	Hilary
Game Theory	Hilary	Hilary
Finance	Hilary	Hilary
Labour Economics and Industrial Relations	Hilary	Hilary
Microeconomic Analysis	Hilary	Hilary
Macroeconomics	Hilary	Hilary
Development of the World Economy since 1800	Trinity	Michaelmas, Hilary, Trinity
Quantitative Economics	Trinity	Trinity (classes only, no tutorials)

In some cases students studying during Hilary and Trinity term may be able to select a Trinity term course from another academic area.

### **Economics course descriptions:**

Brief descriptions of courses are provided below. Please note these are offered for guidance and may vary from year to year.

#### **Behavioural and Experimental Economics**

Contrary to what most of economics assumes, not all people are rational and selfish. In this option, we will cover empirical and theoretical findings of behavioural economics that try to shed light on how people really are. We will also discuss how to conduct laboratory and field experiments and how to analyse experimental data.

Topics covered include - Heuristics and biases, social preferences, reference-dependent preferences, bounded will-power, honesty, mental accounting, level-k reasoning. The design and analysis of laboratory and field experiments, incentives, ethics, testing theories, identification of treatment effects, internal/external validity, statistical power calculation.

Students will design, conduct and analyse an economic experiment. Both lab and field experiments are possible. This will be done in groups of three students with the help of a tutor. Students present their findings in a "research day" in HT and then (individually) write a report about their experiment.

#### **Development of the World Economy since 1800**

Economic development of the major regions of the world: Europe, Asia, the Americas, Africa, Oceania. The proximate sources of growth: population and human capital, physical capital and technology. The underlying sources of growth: first and second nature geography, institutions and the state. The consequences of growth: living

standards, inequality and consumption. International transactions: real trade and factor flows, finance. Warfare and empire

### **Economics of Developing Countries**

The objective of the undergraduate course is to introduce students to key areas of development economics, the analysis of conditions in developing countries, and to explore some of the major economic policy issues relating to developing countries.

The lecture programme is given by members of the faculty specialising in different areas in development economics. It includes topics such as the following:

Poverty and income distribution. Theories of growth and development. Industrialisation and structural change. Foreign trade and payments. Foreign and domestic capital; economic aid. Human capital, health and education. The role of government in development; the operation of markets. Agriculture and rural development. Labour markets and employment. Political economy.

### **Economics of Industry**

The economics of industry is concerned with the behaviour of firms. This course covers both theory and applications. The objectives of this course are to provide an understanding of:

1. the theoretical foundations of firm decisions regarding pricing, product differentiation, advertising, entry, mergers and takeovers, innovation, vertical integration, and organization
2. the welfare implications of firm behaviour
3. strategic firm behaviour, its effects on other firms
4. inappropriate firm behaviour and the design of public policy responses
5. methods of determining and analysing firm behaviour through the use of data

### **Econometrics**

This course intends to expose you to the statistical techniques that economists use for estimating, testing, and forecasting economic relationships. The emphasis is on understanding the techniques involved and also on what they mean in terms of the economic problem being studied. Successful completion of this course should allow you to read much of the professional empirical literature in economics.

**Prerequisites:** This course assumes that you have a good grasp of the concepts covered in Quantitative Economics.

### **Finance**

Investment appraisal under conditions of certainty/uncertainty. Portfolio theory and capital asset pricing model. Sources of finance, debt capacity, dividends, and cost of capital. Financial market efficiency. Emerging issues in finance. Takeovers and mergers.

It is recommended that students interested in finance have taken courses that cover the following, or feel comfortable working with these concepts -

- the basics of investment decisions: discounted present values v IRR and related issues
- basic portfolio theory, diversification, leading up to and including the CAPM
- and know what the efficient markets hypothesis is

Brealey Myers & Allen, Principles of corporate finance, 10th ed., (Chapters 1,2,and 5-9, 13) is recommended as a useful resource.

### **Game Theory**

Strategic-form games and extensive-form games. Solution concepts. Games with incomplete information. Applications and topics which may (but not necessarily) include bargaining, auctions, global games, evolutionary games, learning, games in political science.

### **The course generally covers:**

1. Strategic form games, dominance, best-reply functions, (mixed) Nash equilibrium.

2. Rationalizability. Bayesian games and Bayesian Nash equilibrium. Purification of mixed equilibria.
3. Global games. Behavioral game theory and experimental testing.
4. Dynamic games with incomplete information, perfect Bayesian equilibrium.
5. Repeated games.
6. Reputation games. Communication games.
7. Bargaining.
8. Learning and evolution.

### **International Economics**

The objectives of the course are to provide an understanding of:

1. the determinants of international trade, including the implications of imperfect competition in international markets;
2. the cases when a protectionist policy towards international trade may be appropriate;
3. the fundamental determinants of the balance of payments and exchange rates; the theory and evidence relating to exchange rate behaviour and to alternative exchange rate arrangements;
4. the international context within which domestic macroeconomic policy is designed and conducted; international macroeconomic linkages; and the importance of international macroeconomic policy co-ordination.

Topics covered include - Theories of international trade and factor movements, positive and normative, and their application to economic policy and current problems. Theory and practice of economic integration. Current problems of the international trading system. Methods of balance of payments adjustment and financing; policies for attaining internal and external balance. Behaviour of floating exchange rates: theory and evidence. Optimum currency areas and exchange rate regimes. International policy co-ordination and the international monetary system.

### **Labour Economics & Industrial Relations**

The aim of the paper is to understand: the behaviour of employees and employers and of collective groups which they may form; how the labour market works and the macroeconomic and distributional outcomes it produces; the policies and practices of organisations towards their employees; government policy towards labour issues. Most of the topics can be studied from an international perspective with either an economic or political focus.

### **Microeconomics**

This course aims to introduce you to some of the fundamental ideas and tools of modern microeconomic theory and their applications to policy issues, such as competition and environmental policies. The course will cover: Risk, expected utility theory; welfare economics and general equilibrium, public goods and externalities; game theory and industrial organisation; information economics and applications of microeconomics.

### **MicroEconomic Analysis**

This course aims to provide students with a deeper understanding of some of the foundations of microeconomics firmly grounded in mathematics; this will prepare them for graduate work, and equip them with tools to perform microeconomic analysis in either an academic or professional environment.

The course will introduce and develop some key elements of microeconomic analysis along with their mathematical foundations. Those topics may (but will not necessarily) include: Linear Algebra, Multivariate Calculus, Constrained Optimisation (both static & inter-temporal), General Equilibrium (with certainty), Choice under Uncertainty, Principal-Agent problems, General Equilibrium (with uncertainty), Asset pricing. A descriptive list of the topics will be published here, on the Economics website, by the beginning of the year in which the course is taught and examined.

It will be assumed that students have mathematical fluency in: sets & sequences, functions of one variable, differentiation, and integration.

### **Macroeconomics**

This course will introduce you to the ideas and tools of modern macroeconomic analysis, and show how these tools can be applied to issues in macroeconomic policy. The course will cover: macroeconomic theories and their policy

implications; macroeconomic shocks and fluctuations; unemployment and inflation; exchange rates, interest rates and current account; intertemporal adjustment, growth theory and monetary and fiscal policy.

### **Quantitative Economics**

This course is designed to give students a good understanding of the rationale for and intuition about the application of statistical methods to the analysis of a range of applied economics issues, such as the economics effects of education or the behaviour of aggregate consumption. Topics covered will include statistical and causal inference, multivariate regression analysis, testing and interpretation of regression results and empirical applications and interpretation of current and recent literature in a number of areas of empirical economics.

### **Money and Banking**

The role of money in general equilibrium models. Aggregate models of price and output fluctuations. The role of banks and other financial intermediaries. Models of monetary policy. Inflation targeting and other policy regimes. Money and public finance. The transmission of monetary policy to asset prices and exchange rates.

The course builds on material taught in Microeconomics and Macroeconomics and assumes familiarity with such topics as expected profit maximisation by firms, the ASAD model of aggregate fluctuations, money demand and money supply and the credit/money supply multiplier.

### **Public Economics**

Public economics is a wide-ranging discipline, being concerned with most aspects of economic policy. This course covers both principles and applications. The objectives are to provide an understanding of:

- the welfare theoretic foundations of policy analysis, and the constraints on government action;
- the considerations that are involved in the design of specific taxes, and the implications for the relation between aggregate revenue and spending;
- the rationale for the major categories of public spending;

and to encourage a critical appreciation of the strengths, weaknesses and consequences of the types of taxation and expenditure system which arise in practice, mainly but not exclusively in relation to the UK.

### **Quantitative Economics**

Statistical and causal inference. Multivariate regression analysis. Testing and interpretation of regression results. Empirical applications and interpretation of current and recent literature in a number of areas of empirical economics. Some tutorials require you to run regressions so you should familiarize yourself with this before you begin the course.