Economics

** Please note that Economics courses can only be taken as ‘primary’ courses, not ‘secondary’ courses.

For further information on courses please go to http://www.economics.ox.ac.uk/index.php/undergraduate/undergraduate-matrix.

Introductory Level:  
- Introduction to Microeconomics
- Introduction to Macroeconomics

Intermediate Level:  
- British Economic History since 1870
- Command and Transitional Economies
- Comparative Demographic Systems
- Economics of Developing Countries
- Labour Economics and Industrial Relations
- Public Economics
- Economics of Industry
- Game Theory
- International Economics
- Money and Banking

Advanced Level:  
- Econometrics
- Mathematical Methods
- Microeconomic Theory

Introductory level courses do not require previous experience, although a good standard of Maths is required. Intermediate and advanced levels require some previous experience. Please contact us if you would like advice: vsp@mansfield.ox.ac.uk

Introduction to Microeconomics
The objective of the course is to introduce students to the elementary theoretical and mathematical tools used in microeconomic analysis. At the end of the course students should be able (i) to understand and explain the tools, (ii) to use the tools to analyse simple problems in microeconomics, and (iii) to discuss critically the methods used.

Introduction to Macroeconomics
The course objective is to provide training in the principles of macroeconomics to enable students to analyse problems in the key areas using appropriate tools. The course aims to develop an understanding of these principles using verbal, graphical and simple mathematical techniques. The areas covered include national income, consumption, investment, international trade, money and banks, inflation, unemployment, business cycles, monetary and fiscal policy, and the financial crisis. In addition to developing the theoretical principles the course introduces some empirical and institutional data for the UK and other major economies.

British Economic History since 1870
This subject analyses the record of the British economy since 1870 from an economist’s perspective. A continuing theme is the assessment of the extent and sources of the decline of the British economy.
economy. For the period 1870-1918 topics of particular interest include British overseas investment and changes in agriculture, both of which played a significant role in developments here and abroad. The analysis of the inter-war period begins from a review of the industrial problems of the British economy, and then covers the return to the Gold Standard in 1925, the great depression and unemployment, including the departure from gold in 1931, and the sources and nature of the economic recovery in the 1930s. The post-1945 period brings the ‘Keynesian Revolution’, demand management and the role of fiscal policy. Economic growth in the ‘golden age’ was tarnished by price and wage inflation, followed by rising unemployment and the slowdown in output and productivity growth beginning in the 1970s.

Command and Transitional Economies
The goals of this course are to lead you to an understanding of the theory and functioning of the traditional command economy, attempts to reform it in the direction of market socialism, and the complex process of transition to a market economy. You will be expected first to learn about the evolution of the command economy in the pre-World War II period in the USSR (War Communism, New Economic Policy, Stalinist Central Planning) and in the post-war period in the USSR, Eastern Europe and China. But emphasis will be placed on knowledge of the features and policies of the main variants of the command system (e.g. central planning, performance of state enterprises, fiscal and monetary policies, foreign trade), rather than details of economic history or experience of countries.

The second subject area includes the 1965 reform and perestroika in the USSR, the New Economic Mechanism in Hungary, self-management in Yugoslavia, and post-1978 reforms in China. The third area comprises the theory of the transition from command to market systems, as well as policies and economic developments in the major countries after 1989. The main countries to be studies are Russia, Poland, Hungary and Czech Republic.

Comparative Demographic Systems
The course deals with the major subject areas and controversies in contemporary demography. Students will gain an understanding of major contemporary demographic trends, the theories advanced to account for them and their practical importance. These include: the status of demographic transition models, theories of low fertility and of divergent mortality in the industrial world; the prospects for welfare systems in ageing societies, new forms of family and household and their future; the realities and prospects of mass migration.

Population growth, economic development, environmental pressures and new threats to health in the post war third world will receive attention, and the future of world population as growth rates slacken and poor societies begin population ageing. Intended and unintended consequences of government actions on demographic phenomena, and the historical origins of Europe’s distinctive demography will be emphasised. On the technical side of the subject, by the end of the course students will know the limitations and origins of demographic data, the advantages of measuring demographic phenomena through different indices and the use of models in population analysis. They will be able to perform elementary operations in the analysis of fertility and mortality, including methods of standardization, the construction and manipulation of the life table and simple population projection. Only elementary arithmetic ability is needed, but sympathy for arguments presented as graphs, numbers or simple expressions is important. No previous demographic knowledge is required. This subject provides an unusual opportunity to combine numerical analysis of human populations with an interdisciplinary comparative analysis of population change at micro and macro level.

Economics of Developing Countries
Economic development for the world’s poorer nations is a self-evident challenge, which demands serious economic analysis. This course introduces you to key areas of development economics, relating analysis to conditions in developing countries, and exploring some of the major economic policy issues relating to developing countries.

The topics covered include: theories of growth and development; poverty and income distribution; human resources, labour markets and employment; industrialisation and technology; agriculture and rural development. Familiar topics which have to be adapted to the situation in developing countries also include monetary and fiscal issues; inflation; foreign trade and payments; foreign and domestic capital; the role of economic aid. An overarching theme is the role of government in development and the operation of markets.

While the approach taken in the course is analytical, you will be expected to have an interest in the problems and policies of particular regions or countries, and use knowledge of actual situations to inform and illustrate the analysis.

**Labour Economics and Industrial Relations**

The aim of the course 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.

Students are encouraged to take an international comparative perspective on the individual topics. As the above indicates, the course is a mixture of macro and micro. However, it allows a much more intensive study of distributional matters, of policy and of applied issues more generally than do these two core courses.

There are 24 lectures, and students will have 8 tutorials. For PPE students the Labour Economics and Industrial Relations paper may be counted as either an Economics or a Politics paper in the Final Examination. Partly because of this, the reading list encompasses a wider range of topics than many other optional courses; students may study a subset of these in tutorials: the impact of alternative bargaining and employee relations systems; Management strategies and HRM; union membership; economic aspects of unions; the role of the law; wages and salary structures, incentives and payment systems; wage dispersion and internal labour markets; labour market adjustment: unemployment and inflation; the size distribution of earnings; low pay and minimum wages; labour market segmentation; discrimination; unions and productivity; labour market policy, welfare to work, employment subsidies, education and training.

**Public Economics**

Public Economics is a very wide-ranging discipline, concerned with the principles underlying most aspects of economic policy. The course covers both principles and applications. It starts by developing the welfare-theoretic foundations of policy analysis, the rationale for government intervention and the constraints on government action. Taxation and government expenditure are considered extensively. On the revenue side of the public accounts we consider the principles involved in tax design and analyse different types of taxes, including social insurance systems. On the expenditure side the course assesses the rationale for major categories of public spending, including health, education and pensions.

**Economics of Industry**

This popular course centres on the behaviour of private sector firms. It builds on the analysis of oligopoly behaviour developed in the Microeconomics core course, extending this to provide a comprehensive industrial organization analysis. Implications of firm behaviour for social welfare are considered throughout.
The course includes empirical evidence from studies of real markets. The major themes of industrial and competition policy are covered, including oligopolistic price competition, product differentiation, strategic entry deterrence and predatory behaviour, advertising, price discrimination, vertically related markets, R & D, technology races, the relationship between market structure and profitability, and the analysis of mergers.

**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, cooperative games, learning, games in political science.

**International Economics**
With the increasing internationalisation of economic life the study of International Economics has much to offer in helping to think about global developments. The course will analyse the determinants of international trade, including the implications of imperfect competition in international markets; the cases when a protectionist policy towards international trade may be appropriate; regionalism in international trading arrangements; 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; the international context within which domestic macroeconomic policy is designed and conducted; international macroeconomic linkages; and the importance of international macroeconomic policy co-ordination.

**Money and Banking**
For the above: need to have studied intermediate microeconomics and macroeconomics, to have studied economics options in previous academic work and to have studied Calculus 2
This course covers a range of topics in modern monetary economics, starting from microeconomic explanations for the existence of money and then proceeding to aggregate models of price and output fluctuations, the monetary transmission mechanism, the conduct of monetary policy, explanations for hyperinflation episodes and the relationship between monetary policy and asset returns. Each topic starts with the presentation of a core theoretical model and some extensions. The focus of the lectures then turns to relevant empirical work in the field. The applied topics covered include (i) how best to separate cause and effect in the aggregate relationship between the interest rate, output and the price level; (ii) heterogeneity in the responses of banks and firms to monetary policy shocks; (iii) explanations for inflation performance across countries and through time; (iv) the impact of monetary policy on the yield curve.

**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.

**Mathematical Methods**
The paper will cover mathematical tools such as Calculus, Linear Algebra, Differential and Difference Equations, Probability and Statistical Inference and their applications to Economics.
Microeconomic Theory
The course provides a rigorous introduction to core elements of microeconomic theory (except Game Theory), in particular the Economics of Information and General Equilibrium. Topics may include: decisions making under risk and uncertainty; theory of search under uncertainty; models of contracting under asymmetric information; theory of general economic equilibrium; theory of social choice.
The four topics currently taught are: (i) decision-making under risk; (ii) social learning, herding and informational cascades; (iii) adverse selection, signalling and screening; principal-agent problems; (iv) general equilibrium; equilibrium in financial economies.
There will be 15 lectures in addition to tutorials