NEKP21, Economics: Microeconomics - Individual Choice, 7.5 credits

Nationalekonomi: Mikroekonomi - individuella val, 7,5 högskolepoäng

Second Cycle / Avancerad nivå

Details of approval

The syllabus is an old version, approved by The Board of the Department of Economics on 2011-11-08 and was last revised on 2015-11-04. . The revised syllabus applied from 2015-11-04. , autumn semester 2016.

General Information

This is a single subject master course in economics. The course is either obligatory or optional within a number of master programmes at Lund University.

Language of instruction: English
Teaching is in English. (Teaching may be in Swedish if all registered students have a good knowledge of Swedish).

Main field of studies	Depth of study relative to the degree requirements
Economics	A1N, Second cycle, has only first-cycle course/s as entry requirements

Learning outcomes

Knowledge and understanding
Students shall:

- deepen their knowledge of the microeconomic theory of choice by individuals and firms in a perfectly competitive context, and their knowledge general equilibrium in exchange economies and production economies,

- understand and be able to describe the duality between technologies on the one hand, and cost and profit functions on the other,
- understand and be able to describe models of individual choice under certainty and uncertainty,
- understand and be able to describe the dual approach to consumer theory,
- understand and be able to describe conditions for general equilibrium in exchange economies and production economies,
- understand and be able to describe the first and second theorem of welfare economics,
- understand and be able to describe time preferences with exponential and hyperbolic discounting.

Competence and skills
Students shall have the ability to independently:

- apply the theory to non-parametric efficiency analyses of firms and industries,
- apply the theory of individual choice in specific examples, such as the degree of insurance and the composition of asset portfolios,
- apply general equilibrium analysis in practice and relate the results obtained to partial equilibrium analysis,
- describe and discuss their knowledge.

Judgement and approach
Students shall be able to acquire further knowledge in the area with little guidance or support.

Course content

In the first part of the course the technology encountered by a firm is modeled, and the circumstances under which all relevant technological information is captured by purely economic objects are demonstrated. It is also shown how efficiency can be analyzed by means of DEA analysis. Next, individual choice is considered and a number of representation theorems are derived for choice under both certainty and uncertainty. A number of applications of preference theory are considered, such as its application to asset markets, as well as other kinds of choice under uncertainty. The course also gives a thorough treatment of the dual approach to consumer theory, providing a full characterization of the implication of individual utility maximizing behavior in a market context. Basic general-equilibrium analysis is covered and the first and second welfare theorems are derived. Finally, intertemporal choice is considered, and the distinction between standard (exponential) and hyperbolic discounting is stressed.

Course design

1. Teaching: Tuition consists of lectures and exercises.

Assessment

1. Examination: Written exams take place at the end of the course. There will be further opportunities for examination close to this date. In addition there are a number of home exercises that will be graded, and the marks carried forward to examinations taken the same term.

2. Limitations on the number of examination opportunities: –

The University views plagiarism very seriously, and will take disciplinary action against students for any kind of attempted malpractice in connection with examinations and assessments. Plagiarism is considered to be a very serious academic offence. The penalty that may be imposed for this, and other unfair practices in examinations or assessments, includes suspension from the University for a specified period.

Subcourses that are part of this course can be found in an appendix at the end of this document.

Grades

Marking scale: Fail, E, D, C, B, A.
1. Grading: Grade (Definition), Points or percentage out of maximum points, Characteristic
A (Excellent), 85–100, A distinguished result that is excellent with regard to theoretical depth, practical relevance, analytical ability and independent thought.
B (Very good), 75–84, A very good result with regard to theoretical depth, practical relevance, analytical ability and independent thought.
C (Good), 65–74, The result is of a good standard with regard to theoretical depth, practical relevance, analytical ability and independent thought.
D (Satisfactory), 55–64, The result is of a satisfactory standard with regard to theoretical depth, practical relevance, analytical ability and independent thought.
E (Sufficient), 50–54, The result satisfies the minimum requirements with regard to theoretical depth, practical relevance, analytical ability and independent thought, but not more.
U (Fail), 0–49, The result does not meet the minimum requirements with regard to theoretical depth, practical relevance, analytical ability and independent thought.
Students have to receive a grade of E or higher in order to pass a course.

2. Weighting grades from different parts of the course: –

3. Grading scales for different parts of the course: –

Entry requirements

Students who have been admitted to the Master Programme in Economics or the Master Programme in Economic Research Methods and who have taken the courses NEKN21 "Advanced Microeconomic Analysis" and NEKP31 "Mathematical Methods – Static Optimisation" are eligible to take this course. For other students at least 90 ECTS-credits in economics are required. These must include 30 ECTS-credits at the advanced level, including the courses NEKN21 "Advanced Microeconomics Analysis", NEKP31 "Mathematical Methods – Static Optimisation" and NEKN01 "Master Essay I" or their equivalents.

Further information

1. Transitional regulations: This course replaces NEKP23 "Microeconomics – Theory for Individual Choice and Game Theory".

2. Limitations in the period of validity: –

3. Limitations: This course may not be included in the same degree as NEK701 "Microeconomics – Theory for Individual Choice and Game Theory", NEKM31 "Microeconomics – Theory for Individual Choice and Game Theory" or NEKP23 "Microeconomics – Theory for Individual Choice and Game Theory".

4. Similar courses: –

5. Limitations in renewed examination: –

Subcourses in NEKP21, Economics: Microeconomics - Individual Choice

Applies from H12

1101 Microeconomics - Individual Choice, 7,5 hp
      Grading scale: Fail, E, D, C, B, A