

<b>BV03: Economic Policy</b>				<b>Study program</b>	B
<b>Module type:</b>	<b>ECTS-points:</b>	<b>Workload:</b>	<b>Semester of study:</b>	<b>Duration of the module:</b>	
Compulsory	4	120	5th	One semester	
<b>Courses:</b>			<b>Contact hours:</b>	<b>Independent study:</b>	<b>Planned Group Size</b>
Course 1: Economic policy (2 semester hours per week)			30h	90h	230
<b>Learning objectives and competences:</b>					
<p>After completing the module, students can</p> <ul style="list-style-type: none"> <li>- reflect economic principles of state economic policy based on the ideal type of perfectly functioning markets;</li> <li>- analyze state market interventions with regard to welfare economic effects;</li> <li>- derive and explain the neoclassical market equilibrium;</li> <li>- model the optimal budget and production plan and calculate social welfare;</li> <li>- explain, describe, analyze and differentiate the causes and effects of market failures (in particular in the form of market power, external effects and asymmetric information);</li> <li>- analyze and critically evaluate problems of economic policy in the areas of competition, regulation and innovation.</li> </ul>					
<b>Key competencies:</b>					
<ul style="list-style-type: none"> <li>- Problem-solving ability</li> <li>- Critical thinking</li> <li>- Analytical skills</li> <li>- Willingness to learn and perform</li> <li>- Written expression</li> </ul>					
<b>Course content:</b>					
<p>Course 1: Economic policy</p> <p>The course focuses on "microeconomic" economic policy (in contrast to macroeconomic economic policy in the form of fiscal and monetary policy, for example) and analyzes the effects of government intervention in the market. The course is divided into the following sections:</p> <ol style="list-style-type: none"> <li>1. Welfare theory basics (general equilibrium model, social welfare, partial welfare analysis)</li> <li>2. Incomplete competition (property rights, market power, innovation, competition policy, administered markets)</li> <li>3. Market failure and prisoner's dilemma (public goods and externalities; asymmetric information and natural monopolies)</li> <li>4. Natural monopolies (subadditive costs, cost and incentive regulation)</li> <li>5. External effects, club goods and the commons problem (private order)</li> </ol>					
<b>Language:</b>					
The course language is German.					

<b>Teaching forms:</b>
Lectures, group work.
<b>Applicability of the module:</b>
B.Sc. Business Administration.
<b>Requirements for participation:</b>
Admission to the Bachelor's degree course in Business Administration. It is desirable that participants have attended the modules BV01 and BV02 (both for Business Administration), because the basic methods and techniques of economics are developed there.
<b>Forms of examination:</b>
The final module examination takes place at the end of each semester in the form of a written examination (60 minutes).
<b>Requirements for the awarding of ECTS credits:</b>
Passing the final module examination. A final module examination is successfully passed if the grade is at least "sufficient" (4.0).
<b>Frequency:</b>
The courses take place usually every academic year in the winter semester.
<b>Significance of the grade for the final grade:</b>
This module is graded and taken into account when calculating the overall grade for your Bachelor's degree. For more detailed information on the calculation of the overall grade, please refer to the examination regulations of your respective degree program
<b>Module supervisors and full-time lecturers:</b>
Prof. Dr. Christian Wey and research assistants at DICE
<b>Other information:</b>
Up-to-date information can be found on the website of DICE.

Version: 12.01.2018