

MW85: Selected Problems in Economic Theory and Policy				Study Programme:	M
Module Type:	ECTS Credits:	Workload:	Study semester:	Module Duration:	
Optional compulsory	8	240	2. or 4.	One semester	
Courses (HPW=hours per week):			Contact hours:	Independent study:	Planned Group Size:
Course 1: Auctions and Procurement (2 HPW)			30h	90h	25
Course 2: Auctions and Procurement – Tutorial (2 HPW)			30h	90h	25
Intended Learning Outcomes (ILOs):					
<p>By the end of the module, students should be able to</p> <ul style="list-style-type: none"> - understand some important concepts of auctions and procurement auctions; - use the methods of microeconomics and game theory to answer specific auction-related questions; - apply the gained knowledge to predict which auction format would do well in a given situation and when other procedures might be superior; - use the gained knowledge in Course 1 for solving different exercises. 					
Key competencies:					
<ul style="list-style-type: none"> - analytical and problem-solving skills, - self-reliance skills, - critical and abstract thinking, - scientific parlance and academic writing style. 					
Description/Contents:					
<p>Course 1: Auctions and Procurement</p> <p>Section 1: Single unit auctions with independent private values</p> <ul style="list-style-type: none"> • Common auction formats • Game-theoretic analysis of such auction formats • Specifics of procurement auctions • When does the auction format matter for revenue? Revenue equivalence • Effects of risk aversion, bidder asymmetries, uncertain number of bidders, reserve prices <p>Section 2: Single unit auctions with interdependent values</p> <ul style="list-style-type: none"> • Winner's curse • Affiliated values • Linkage principle: How much information does an auctioneer want to reveal? <p>Section 3: Mechanism design (what can auctions achieve?)</p> <ul style="list-style-type: none"> • Optimal (revenue-maximizing) auctions • Two-sided private information • Surplus extraction • Auctions vs. negotiations • Efficient auctions 					

Section 4: Multi-unit auctions

- Combinatorial auctions in the sale of electromagnetic spectrum
- Internet advertising auctions
- Single vs. multi-sourcing
- Uniform price and discriminatory price: treasury auctions, electricity

Course 2: Auctions and Procurement – Tutorial

Cf. contents of course 1.

Language:

The language of the module is English.

Teaching Methods:

Lectures, group work, self-study.

Module Applicability:

M.Sc. Business Administration; M. Sc. Economics; M.Sc. Mathematics.

Pre-requisites/Requirements:

Admission to a Master program in either Business Administration, or Economics, or Mathematics. Good mathematical skills and a good knowledge of microeconomic theory on the Bachelor level.

Examination Types:

Examination in the form of an exam (written/oral) at the end of the summer semester and/or homework assignments.

Requirements for Award of Credit Points:

Successful passing of the exam. The exam is passed if the grade is at least „sufficient (ausreichend)“ (4,0).

Availability:

The module is offered each summer term (Sommersemester).

Assessment:

This course will be graded and is part of the calculation for the overall grade of your master degree. Particular information concerning the calculation of the overall grade can be gathered in the respective examination regulations.

Persons Responsible and Main Lecturers:

Dr. Philippe Gillen and Dr. Bernhard Kasberger.

Further Information:

Further information can be found at the website of the DICE. It is possible to write a project work within this module (MQ04, MQ05 or MQV01).

State: 05.04.2022