# Economic Theory

## Module Code: EC4010

### Module Title: Economic Theory

* ECTS Weighting: 15
* Semester/Term Taught: Michaelmas + Hilary Term
* Contact Hours: 44 hours of lectures and 10 hours of tutorials
* Module Personnel: Lecturer -Paul Scanlon / Lecturer - Professor Tara Mitchell

### Learning Outcomes

On successful completion of this module, you will be able to:

* Interpret and analyze different models of economic fluctuations
* Analyze and extend models of long-run economic development
* Describe models in game theory, especially as they relate to economics
* Manipulate economic models to incorporate changes in economic policy

Satisfactory completion of this module will contribute to the development of the following key skills:

* Ability to analyze modern economic models of growth and the business cycle
* Ability to apply game theoretic techniques to economic problems
* Ability to understand game-theoretic formulations of problems
* Ability to derive economic insights from models in game theory
* Ability to synthesize economic models of growth and the business cycle

### Module Content

This course comprises two parts: Macroeconomics (Module 1) and Microeconomics (Module 2).

#### Module 1 Macroeconomics:

This module will cover selected topics in macroeconomics and will build on the foundations developed in EC3010. Topics covered include monetary policy; real business cycle theory; the Ramsey model; public finance; endogenous growth theory; asset pricing; and New Keynesian economics.

#### Module 2 Microeconomics:

Game theory has become a powerful tool of economic analysis for situations where a small number of economic agents (firms, governments, individuals) behave interdependently (anticipate how their decisions affect others and how these others will then react). This module will analyse simple games, introduce the most standard equilibrium concepts, and focus on applications of these techniques in a variety of economic settings. We will devote attention to applications in industrial organization, political economy, auctions. Some attention will be paid to recent developments in game theory.

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### Recommended Reading List

Macro: David Romer, Advanced Macroeconomics, 3rd edition, McGraw-Hill.  
Micro: Martin J. Osborne, An Introduction to Game Theory, Oxford University Press, August 2003.

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### Module Pre Requisite

EC3010, and one of EC3080 and EC3090

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### Assessment Details

There will be a mid-term test in Week 8 of Michaelmas Term accounting for 10% of the overall grade. A take-home assignment will be due in Hilary Term accounting for 10% of the overall grade. The annual exam is worth 80% of the overall grade.

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### Module Website

Michaelmas Term: Blackboard

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