316-684 Economic Design

Credit Points:	12.50
Level:	9 (Graduate/Postgraduate)
Dates & Locations:	2009, This subject commences in the following study period/s: Semester 2, - Taught on campus.
Time Commitment:	Contact Hours: 2 hours of lectures and a one-hour workshop or tutorial per week (Semester 2). Total Time Commitment: Not available
Prerequisites:	316-338 Mathematical Economics and 316-402 Advanced Microeconomics.
Corequisites:	None
Recommended Background Knowledge:	None
Non Allowed Subjects:	None
Core Participation Requirements:	For the purposes of considering request for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Student Support and Engagement Policy, academic requirements for this subject are articulated in the Subject Overview, Learning Outcomes, Assessment and Generic Skills sections of this entry. It is University policy to take all reasonable steps to minimise the impact of disability upon academic study, and reasonable adjustments will be made to enhance a student's participation in the University's programs. Students who feel their disability may impact on meeting the requirements of this subject are encouraged to discuss this matter with a Faculty Student Adviser and Student Equity and Disability Support: http://services.unimelb.edu.au/disability
Coordinator:	Prof Peter Bardsley
Subject Overview:	This subject is an introduction to Economic Design and the interaction of modern economic theory, economic policy and experimental economics. The subject will cover mechanism design, auction theory, contract theory, and the fundamental results on the limits to efficiency in asymmetric information environments. The theory will be illustrated with case studies of recent policy applications of economic design techniques.
Objectives:	On successful completion of this subject, students should be able to: # Set up and solve contact design problems in asymmetric information environments; # Analyse bidder behaviour in standard auction forms; # Set up and solve auction design problems in common and independent private value environments; # Explain and apply the Envelope Theorem, the Revelation Principle and the Revenue Equivalence Theorem, and their implications for auction theory and contract theory; and # Explain the fundamental results of mechanism design and implementation theory on the limits to efficiency in asymmetric information environments.
Assessment:	One 3-hour end-of-semester examination (80%) and class assignments and weekly problems not exceeding 2000 words (20%).
Prescribed Texts:	None
Breadth Options:	This subject is not available as a breadth subject.
Fees Information:	Subject EFTSL, Level, Discipline & Census Date, http://enrolment.unimelb.edu.au/fees
Generic Skills:	On successful completion of this subject, students should have improved the following generic skills: # Written communication;

	# Collaborative learning;
	# Problem solving;
	# Team work;
	# Mathematical reasoning;
	# Application of theory to practice;
	# Interpretation and analysis; and
	# Critical thinking.
Notes:	Students may not receive credit for both 316-684 Economic Design and 316-408 Economic Design.
Related Course(s):	Master of Commerce - Economics