ECON90028 Economic Design

Credit Points:	12.50
Level:	9 (Graduate/Postgraduate)
Dates & Locations:	2010, Parkville This subject commences in the following study period/s: Semester 2, Parkville - Taught on campus.
Time Commitment:	Contact Hours: 2 hours of lectures and a one-hour workshop or tutorial per week Total Time Commitment: Estimated total time commitment of 120 hours per semester
Prerequisites:	**316-338 Mathematical Economics (/view/2010/316-338)** and **316-402 Advanced Microeconomics (/view/2010/316-402)**
Corequisites:	None
Recommended Background Knowledge:	None
Non Allowed Subjects:	**316-408 Economic Design (/view/2010/316-408)**
Core Participation Requirements:	For the purposes of considering requests for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Students Experiencing Academic Disadvantage Policy, academic requirements for this subject are articulated in the Subject Description, Subject Objectives, Generic Skills and Assessment Requirements for this entry.The University is dedicated to provide support to those with special requirements. Further details on the disability support scheme can be found at the Disability Liaison Unit website: http://www.services.unimelb.edu.au/disability/
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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%)Class assignments and weekly problems not exceeding 2000 words (20%)
Prescribed Texts:	You will be advised of prescribed texts by your lecturer.
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 # 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