

ECON90028 Economic Design

Credit Points:	12.50												
Level:	9 (Graduate/Postgraduate)												
Dates & Locations:	This subject is not offered in 2014.												
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:	<table border="1"> <thead> <tr> <th>Subject</th> <th>Study Period Commencement:</th> <th>Credit Points:</th> </tr> </thead> <tbody> <tr> <td>ECON40001 Advanced Microeconomics</td> <td>Semester 1</td> <td>12.50</td> </tr> </tbody> </table> <p>OR</p> <table border="1"> <thead> <tr> <th>Subject</th> <th>Study Period Commencement:</th> <th>Credit Points:</th> </tr> </thead> <tbody> <tr> <td>ECON90002 Microeconomics</td> <td>Semester 1</td> <td>12.50</td> </tr> </tbody> </table>	Subject	Study Period Commencement:	Credit Points:	ECON40001 Advanced Microeconomics	Semester 1	12.50	Subject	Study Period Commencement:	Credit Points:	ECON90002 Microeconomics	Semester 1	12.50
Subject	Study Period Commencement:	Credit Points:											
ECON40001 Advanced Microeconomics	Semester 1	12.50											
Subject	Study Period Commencement:	Credit Points:											
ECON90002 Microeconomics	Semester 1	12.50											
Corequisites:	None												
Recommended Background Knowledge:	None												
Non Allowed Subjects:	<table border="1"> <thead> <tr> <th>Subject</th> <th>Study Period Commencement:</th> <th>Credit Points:</th> </tr> </thead> <tbody> <tr> <td>ECON40006 Economic Design</td> <td>Not offered 2014</td> <td>12.50</td> </tr> </tbody> </table>	Subject	Study Period Commencement:	Credit Points:	ECON40006 Economic Design	Not offered 2014	12.50						
Subject	Study Period Commencement:	Credit Points:											
ECON40006 Economic Design	Not offered 2014	12.50											
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/												
Contact:	Melbourne Business School @ Berkeley Street Level 4, 198 Berkeley Street Telephone: +61 3 8344 1670 Email: mbs-enquiries@unimelb.edu.au (mailto:mbs-enquiries@unimelb.edu.au) Web: http://mbs.unimelb.edu.au/ (http://mbs.unimelb.edu.au/)												
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.												
Learning Outcomes:	On successful completion of this subject, students should be able to: <ul style="list-style-type: none"> # Set up and solve contract 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:	1.5 hour mid-semester examination and one 3-hour end-of-semester examination (totalling 80% and split between the midterm and the final as the maximum of 10% for the midterm plus 70% for the final and 30% for the midterm plus 50% for the final) - 80% (10%+70% or 30%+50%, whichever is greater); and Five 400-word homework assignments (4% each) due in weeks 3, 5, 7, 9 and 12
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:	<p>On successful completion of this subject, students should have improved the following generic skills:</p> <ul style="list-style-type: none"> # 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 ECON90028 Economic Design and ECON40006 Economic Design.