

CERGE-EI

*Charles University Prague
Center for Economic Research and Graduate Education
and
the Economic Institute of the Academy of Sciences of the Czech Republic*



Course Book for the Academic Year 2001-2002 The Spring Semester

Student Affairs Office

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I. The Structure of Ph.D. Studies in Economics at CERGE

The *Center for Economic Research and Graduate Education* (CERGE) is a research and educational institute of Charles University. In close cooperation with the Economics Institute (EI) of the Academy of Sciences of the Czech Republic, CERGE offers a Ph.D. program in Economics, accredited by the Ministry of Education, Youth and Sport of the Czech Republic, to students from the Czech Republic and other Central and Eastern European (CEE) and former Soviet Union countries. Economic research is an integral part of CERGE activities.

A. Contents and Organization of Graduate Study at CERGE

Further details on the program can be found in the handbook for graduate students.

The basic mission of CERGE is to perform graduate studies in Economics and to train future university faculty and researchers and public administration representatives. The main idea of establishing the doctoral program curriculum is to transfer the modern Western system of Ph.D. study in Economics, as it is applied in the United States and some Western European countries, to the local environment and incorporate it into the structure of Czech university education within Charles University. The program offers economic education at a level comparable with world standards directly at Charles University, without the necessity of more expensive study abroad. Besides this fact, the best students may be offered the opportunity to visit (for up to one academic year) an appropriate university in the United States or Western Europe. This experience may enlarge their scope of knowledge significantly.

During the first two years of study courses are taught by the local and visiting faculty. Studies are conducted entirely in English. The duration of the doctoral study is four years. The first two years offer primarily systematic knowledge of theory; for the latter two years the students work on their dissertation. The transfer from study to independent research work is gradual and begins during the second year of study.

B. Core Study – The First Two Years

In the first year of study the students follow a common curriculum designed to provide a strong foundation in Microeconomic Theory, Macroeconomic Theory, Statistics and Econometrics, and English. This curriculum is standard for the PhD study in Economics. The study is divided into three semesters: the fall semester (FS), the spring semester (SS), and the summer semester (SuS). In view of the fact that many newly recruited students do not have an extensive background in modern Economics equivalent to "western" standards, and also that their knowledge of Mathematics and English are frequently at different levels, a preparatory semester is organized for potential students. It allows CERGE to provide the students with some basic tools as an introduction to the program and to achieve a standard level of competence.

The second year of formal study at CERGE provides students with the opportunity to investigate more specific fields of interest. Several courses (usually five) are offered each of the two semesters, and the second year students must enrol for a minimum of three. The students participate in a seminar series and are now expected to begin their own research.

Having completed both the first and second years, students must pass a General (comprehensive) examination. After the first year, the students must pass Microeconomic Theory, Macroeconomic Theory, and Econometrics; after the second year they must show proficiency in at least two specialized fields by passing General (field) exams in their chosen areas of interest.

During the first two years of study the students do not have a special supervisor, rather, they rely on the advice of the Deputy Director of Graduate Studies, who is also one of the CERGE faculty members. The program and organization of graduate study is regulated by a CERGE's Graduate Council (GC).

C. Specialized Study – Third and Fourth Years

During the spring semester of the second year and the fall semester of the third year, the students have to choose the topic of their dissertations. A tentative chair as a supervisor is then assigned. By the middle of the third year (at the latest), they formulate a thesis proposal and public defense is required together with state doctoral examination. For students who passed all General examinations with distinction, the main importance will be placed on the defense of the thesis proposal. Those with less than distinctive examination results can also expect additional detailed questions from respective fields. After having successfully defended the proposal, a three-member dissertation committee is appointed which guides and supervises the study and research work.

At least one member of the dissertation committee has to be an employee of CERGE or EI, and at least one of the members has to be a professor from some other university. Under the guidance of this committee the student works on his or her dissertation. In the fourth year the students present their third year work at the

Dissertation workshop and prepare for the defense of the dissertation. The study is concluded by the public defense of the doctoral dissertation.

D. Study Program

Here we present the courses designed for the preparatory semester and the first and second year of study. (One lecture/exercise unit is 45 minutes long.)

Preparatory semester

	(Lecture hours / exercise hours)
Macroeconomics 0	4/2, Exam
Microeconomics 0	4/2, Exam
Mathematics	4/2, Exam
English	0/4

Notes: Upon completion of the preparatory semester, the final selection of students is made to enter the doctoral program in the fall, based on final exam results.

First year

Semester	Fall	Spring	Summer
Macroeconomics I, II, III	4/2, Exam	4/2, Exam	4/2, Exam
Microeconomics I, II, III	4/2, Exam	4/2, Exam	4/2, Exam
Statistics	4/2, Exam		
Econometrics I and II (Applied)		4/2, Exam	4/2, Exam
Academic Writing I, II	0/4, Credit	0/4, Credit	

Notes: After completing the first year, each student must pass the General examination in the fields of Microeconomics, Macroeconomics and Econometrics.

Second Year

Semester	Fall	Spring	Summer
Advanced Macroeconomics I, II	4/2, Exam	4/2, Exam	
Econometrics III, IV	4/2, Exam	4/2, Exam	
Economics of Transition I, II	4/2, Exam	4/2, Exam	
Financial Markets I, II	4/2, Exam	4/2, Exam	
Health Economics		4/2, Exam	
Industrial Organization I, II	4/2, Exam	4/2, Exam	
Labor Economics	4/2, Exam		
Monetary Economics I, II	4/2, Exam	4/2, Exam	
Public Economics	4/2, Exam		
Academic Writing III	0/2, Credit		
Advanced Combined English Skills		0/2, Credit	
Seminar Course	0/2, Credit	0/2, Credit	
Directed Research			0/2, Credit

Notes: Second-year students choose at least three (exam-ended) courses per semester. The credits for English courses, the Seminar Course and Directed Research are mandatory. The courses cannot be from the same field. Courses offered may differ slightly from year to year, depending on the faculty in residence. After completing the second year each student must pass General exam in two fields. Upon agreement of CERGE, a student may complete part of his/her study at another university - this is valid not only for individual courses, but also for a whole study year.

II. Syllabi of the Spring Semester Courses

Reading Lists for the Spring Semester are available on <http://library.cerge-ei.cz/reading> in the directory **Spring02**. Full texts of the articles from the reading lists are also available in PDF format and you can read them by using Adobe Acrobat Reader.

A. First year students

MACROECONOMICS II

	<i>Lecturer</i>	<i>Teaching Assistant</i>
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Office hours		

Course information

This is a second part of the first year macroeconomic theory sequence. We will develop theory and tools (dynamic programming) to study issues in general equilibrium, asset pricing, optimal and credible government policies, and models with heterogeneous agents.

Course Outline

- A. Dynamic programming
- B. Real business cycle theory
- C. Keynesian theory of fluctuations
- D. Rational expectations
- E. Monetary economics

Requirements and grading

The grade distribution will be based on problem sets (25%), midterm (25%) and final (50%). The policies related to student conduct will be strictly enforced.

Readings

Stokey, Nancy L., Robert E. Lucas, Jr., and Edward C. Prescott. Recursive Methods in Economic Dynamics. Cambridge: Harvard University Press, 1989.

Ljungquist, Lars, and Thomas J. Sargent. Recursive Macroeconomic Theory. Chicago: Manuscript, University of Chicago, 1999.

Sargent, Thomas J. Dynamic Macroeconomic Theory. Cambridge: Harvard University Press, 1987.

Cooley, Thomas F., Editor. Frontiers of Business Cycle Research. Princeton University Press: 1995.

Romer Paul. Advanced Macroeconomics. McGraw-Hill: 1996.

Lucas, Robert E., Jr. Studies in the Business Cycle Theory. Cambridge: MIT Press, 1984.

Lucas, Robert E., Jr. Models in Business Cycles. Yrjo Jahnsson Lectures Series. London: Blackwell, 1987.

Mas-Collel, Andreu, Michael D. Whinston, and Jerry R. Green. Microeconomic Theory. Oxford University Press: New York, 1995.

MICROECONOMICS II

	<i>Lecturer</i>	<i>Teaching Assistant</i>
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Course information

This course will cover the modern general equilibrium theory along with applications and extensions. We will start with a rigorous review of economic fundamentals (preferences, technology, endowments) and then prove the classical existence, welfare and core convergence theorems. We will then examine non-convexities,

properties of aggregate excess demand, smooth economies, the Arrow-Debreu model of contingent commodities and models that introduce time and uncertainty. The course concludes with recent research that seeks to provide strategic models of competitive markets.

Course outline

I. Introduction to General Equilibrium Theory

A) The Edgeworth Box (AWG, Ch. 15 Animated Edgeworth Box

<http://www.sscnet.ucla.edu/ssc/labs/cameron/e1f98/imapedge.html>)

B) Economic Fundamentals (Stephen Spear Introduction to General Equilibrium

http://econ.gsia.cmu.edu/Phd/GE/GE_intro.pdf)

C) Welfare Theorems (AWG, Ch. 16)

D) Existence (AWG, Ch. 17)

II. Basic Extensions

A) Properties of Aggregate Excess Demand (AWG, Ch. 17.E Hildenbrand and Kirman, pp.170-172)

B) The Core (AWG, Ch18.A,B Hildenbrand and Kirman, Chapters 3, 4, 5.1)

C) Nonconvexities (AWG, Ch. 17.I Laffont, Ch.3)

D) Smooth Economies

E) Large Economies

III. Time, Uncertainty and Restricted Participation

A. Basics (AWG, Ch. 19)

B. Incomplete Markets

C. Asymmetric Information

D. Time (AWG, Ch. 20)

E. Overlapping Generations (AWG, Ch. 20.H)

IV. Strategic Foundations of Competitive Markets

A. Bargaining (AWG, Ch. 22.E)

B. Strategic Models of Trade (AWG, Ch. 18.C)

D. Gale, Strategic Foundations

V. Social Choice (AWG, Ch. 21)

Requirements and grading

Readings

Required Books:

Andreu Mas-Colell, Michael Whinston and Jerry Green, *Microeconomic Theory*, Oxford, 1995. (AWG)

Gerard Debreu, *Theory of Value*, Yale, 1959.

Bryan Ellickson, *Competitive Equilibrium*, Cambridge, 1993.

Useful Books for Students:

Douglas Gale, *Strategic Foundations of General Equilibrium Theory*, Cambridge, 2000.

Gerard Debreu, *Mathematical Economics: 20 Papers of Gerard Debreu*, Cambridge, 1983.

W. Hildenbrand and A. Kirman, *Introduction to Equilibrium Analysis*, North-Holland, 1976.

Geoffrey Jehle and Philip Reny, *Advanced Microeconomic Theory* (2nd ed.), Addison-Wesley-Longman, 2001.

The New Palgrave: Allocation, Information and Markets (John Eatwell, Murray Milgate and Peter Newman eds.), Norton, 1989.

Ross Starr, *General Equilibrium Theory: An Introduction*, Cambridge, 1997.

Classics:

Kenneth Arrow and Frank Hahn, *General Competitive Analysis*, Holden-Day, 1971.

Tjalling Koopmans, *Three Essays on the State of Economic Science*, McGraw-Hill, 1957.

Peter Diamond and Michael Rothschild, *Uncertainty in Economics*, Academic Press, 1978.

Kenneth Arrow, *Essays in the Theory of Risk-Bearing*, North-Holland, 1976.

Advanced References:

Andreu Mas-Colell, *The Theory of General Economic Equilibrium*, Cambridge, 1985.

Werner Hildenbrand, *Core and Equilibria of a Large Economy*, Princeton, 1974.

Microeconomics Reference:

Avenash Dixit, *Optimization in Economic Theory*, Oxford, 1976.

Kreps, David, A., *Course in Microeconomic Theory*, Princeton, 1990.

Jean-Jacques Laffont, *Fundamentals of Public Economics*, MIT, 1989.

E. Malinvaud, *Lectures on Microeconomic Theory*, North-Holland (revised ed.), 1985.

Walter Nicholson, *Microeconomic Theory: Basic Principles and Extensions* (3rd ed.), Dryden Press, 1985.
 (Basic)
 Hal Varian, *Microeconomic Analysis* (3rd edition), Norton, 1992.

ECONOMETRICS I

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Course information

This is a first course in econometrics. It is assumed that students are familiar with the basic statistical analysis, and concepts. Students will make regular use of the microcomputer. They will use TSP (or STATA or another econometric packet) for certain problem sets and for the term project. Some supplementary exercises - how to deal with data, using computers (short introduction into TSP 4.5), etc. could be prepared, if required. The updated course syllabus will be available at Jan Hanousek's web site, the exact link will be announced at the beginning of semester.

Course outline

I. BASIC LINEAR REGRESSION MODEL

1. Estimation (K: 10-1, 11-2; M1: 7, 8; M2: 3.1-3.4, 4.1-4.4)
2. Interpretations; coefficients, standard errors and R-square. (M1:7.8, 8.3,8.4; M2: 4.4-4.6)
3. Tests of hypotheses (G:5.6, 6.5; K:10.2; M1: 8.5; M2: 4.8)
4. Omission of relevant variables and inclusion of irrelevant variables (G: 8.4; M1: 9.5; M2: 4.9)
5. Restrictions: using and testing (G: 7.2, M1: 10.3; M2:4.12)
6. Summary

II. GENERALIZED REGRESSION MODEL

1. Theory - generalization of linear regression model (G: 13; K:12.1)
2. Heteroskedasticity: detection, consequences and solution of heteroscedasticity problem (G:14; K:8.2; M1:12.2-12.4; M2:5)
3. Autocorrelation; testing (DW test) and estimation (G:15, K:8.3; M1:6; M2:12.5-12.8)
4. Summary

III. SOME FURTHER TOPIC IN MULTIPLE REGRESSION

1. Multicollinearity, measures of multicollinearity, ridge regression, principal components (G:9.2; K:10.3; M1:10.1-10.2; M2:7)
2. Dummy variables (change of coeff., cross-equation constrains, stability of regression coeff., etc.) (G:8.2; K:11.1; M1:9.2; M2:8.2-8.7)
3. Diagnostic checking, model selection, and specification testing (G:9.6, M2:12)

IV. SIMULTANEOUS EQUATION MODELS

1. Seemingly unrelated regressions (G: 17.2; K:12.3; M1:14.4)
2. Identification (G:20.3; K:13.1; M1:11.1-11.4; M2: 9.1-9.4)
3. Estimation: Instrumental variable estimators, 2SLS, 3SLS, FIML (G:20.4; K:13.3-13.5; M1:11.1-11.4; M2:9.2-9.4)
4. Summary (+ exogeneity and causality tests)

V. TIME SERIES

1. Introduction to time series, stationarity, invertibility, AR(p), MA(q), ARMA(p,q)
2. Integrated processes, test of unit roots, cointegrated analysis

Requirements and grading

Students will be evaluated on the basis of problem sets (analytic and empirical), a midterm, and a final exam. The grade for each student will be computed with the following weights:
 Problem sets (including a term project) 30%
 Midterm 30%
 Final exam 40%

Readings

Principal text:

William, H. Greene, *Econometric Analysis*, Third/Second Edition, New York, Macmillan, 1999(1993). (G)

Supplementary references:

Peter Kennedy, *A Guide to Econometric*, Third Edition, Cambridge, MIT Press, 1992.

Jan Kmenta, *Elements of Econometrics*, Second Edition, New York, Macmillan, 1986. (K)

G.S. Maddala, *Econometrics*, McGraw-Hill, International Edition, New York, 1977. (M1)

G.S. Maddala, *Introduction to Econometrics*, Macmillan, New York, 1988. (M2)

Computer manuals:

TSP Users Guide (version 4.2-4.5), TSP International, 1993-1999

TSP Reference Manual (version 4.2-4.5), TSP International, 1993-1999

A detailed list of required/recommended papers will be distributed in the class and possibly augmented during the semester.

ACADEMIC WRITING II

	<i>Teacher</i>
Name	English faculty
Office	
Phone	
e-mail	
Office hours	

Course information

Building upon the analytical reading and summarizing work and paragraph/sentence revision techniques practiced extensively in Academic Writing I, students will focus on writing longer essays with a more critical perspective. They will also explore research writing as a genre and begin to focus on economics discourse style.

Course outline

Approximately the second half (Chapters 5-8) of Janet Giltrow's *Academic Writing: Writing and Reading across the Disciplines* will provide a loose framework for reading and analytical writing assignments. In addition, class members will try to move beyond sentence structures, syntax, and word choices already heavily relied upon toward those more closely approximating native writers' and reflecting the complexity of scholarly conceptual thinking. Contextual revision practice using excerpts by economists writing in the field will increasingly be the basis for critiques. Based on the collective needs of class participants, the instructor may choose to focus on topics from among—but not limited to—the following: verb tense sequencing; punctuation to clarify and emphasize; developing ideas through revealing examples; paragraph divisions; transition techniques; differences between introductions and conclusions; agentless structures; reported speech; stylistic choices; refining and expanding vocabulary; documentation; the ongoing battle with articles.

Requirements and grading

Grades will be based on a student's mastery of content and mechanics on various writing assignments, quizzes, and midterm and final exam in-class essays. Class participation and interaction as well as attendance will be considered in determining final course grades.

Readings

- *Academic Writing: Writing and Reading across the Disciplines* by Janet Giltrow; Chapters 5-8
- Selected articles and essays
- Collins Cobuild English Dictionary, 2nd rev. ed.(as needed for in-class work)

B. Second year students

ADVANCED MACROECONOMICS II

	<i>Lecturer</i>	<i>Lecturer</i>	<i>Teaching Assistant</i>
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Course information

First half of the semester [Professor Slobodyan]:

The first part of the course will cover three somewhat related subjects: indeterminacy and sunspots in macroeconomics, nonlinear dynamics and chaos in economics, and learning in macroeconomics. We speak of indeterminacy when a continuum of perfect forecast paths converging to the same steady state dynamics exists, and as a result the uniqueness of the equilibrium path is lost. Sunspot equilibria arise when external random influences that are ex-ante uncorrelated with fundamentals of the economy influence prices or allocations ex-post, because economic agents believe that they do. Sunspots are often (but not necessarily) associated with indeterminacy, and might have been observed empirically. Many economists used nonlinearities in attempts to explain permanent fluctuations observed in economic data, such as business cycles and agricultural prices. Discovery of the deterministic chaos, where a pure deterministic law leads to a seemingly stochastic outcome, gave those attempts additional credibility. We will discuss models resulting in chaotic dynamics and empirical attempts to prove the existence of chaos in the (mainly financial) data. The question of learning by boundedly rational, possibly heterogeneous, agents arises naturally when strict RE assumptions are relaxed. We will consider several different approaches to learning. Learning was shown to generate highly complex, including chaotic, dynamics, and to converge to determinate and indeterminate steady states, cycles, and sunspot equilibria.

Second half of the semester [Professor Kejak]:

First is an examination of the fundamental articles from the monetary theory and economic growth. To understand fully to their content we need to study further the recursive methods for deterministic and stochastic models (Lucas&Stokey). Then we develop numerical analysis and continue (through nonlinear equations and approximation methods) to the perturbation methods and solution methods for perfect foresight and rational expectations models. We will apply some of these methods to solve some of fundamental RBC models. During the course students will be supposed to write simple programs based on these algorithms (in FORTRAN, MATLAB or GAUSS).

Requirements and grading

Readings

Major texts [Professor Slobodyan]:

Roger Farmer. The Macroeconomics of Self-Fulfilled Prophecies

J. Benhabib, R.E.A. Farmer. Indeterminacy and sunspots in macroeconomics, in Handbook of Macroeconomics, ch.6.

Economic complexity: chaos, sunspots, bubbles, and nonlinearity: proceedings of the Fourth international symposium in economic theory and econometrics. Barnett W., J. Geweke, and K. Shell, eds.

T. Puu. Attractors, Bifurcations, and Chaos.

Nonlinear dynamics and economics: Proceedings of the Tenth International Symposium in Economic Theory and Econometrics. Barnett W, A. Kirman, and M. Salmon, eds.

G.W. Evans, S. Honkapohja. Learning dynamics, in Handbook of Macroeconomics, ch.7.

Major texts [Professor Kejak]:

Lucas, Robert E. and Nancy L. Stokey (1989) Recursive Methods. MIT Press.

Cooley, Thomas Ed. (1995) Frontiers of Business Cycle Research, Princeton University Press.

Ljungquist Lars and Thomas J. Sargent (1999) Recursive Macroeconomic Theory. MIT Press.

Judd Kenneth L. (1998) Numerical Methods in Economics. MIT Press.

Marimon Ramon and Andrew Scott (Eds.) (1999) Computational Methods for the Study of Dynamic Economies. Oxford University Press.

ECONOMETRICS IV

	<i>Lecturer</i>	<i>Teaching Assistant</i>
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Course information

Econometrics IV is the fourth course in a sequence designed to introduce tools necessary to understand and implement empirical studies in economics. The main emphasis of the course is twofold: (i) to extend regression models in the context of cross-section and panel data analysis, (ii) to focus on situations where linear regression models are not appropriate and to study alternative methods. Examples from applied work will be used to illustrate the discussed methods.

Course outline

1. Review of basic linear regression model and Introduction to Maximum Likelihood Estimation and Hypothesis testing ([G])
2. Generalized linear regression model ([G] 14, [A] 6)
 - * GLS
 - * SUR
 - * Panel data analysis
3. Cases where residuals and regressors are correlated ([H] 6-7, [A] 7-8)
 - * Misspecification
 - * Errors in variables ([G] 9)
 - * Unobserved fixed effect in panel data analysis ([H] 3)
 - * Simultaneity
 - * Lagged dependent variables and serial correlation
4. Cases where linear regression models are not appropriate
 - * Maximum Likelihood Estimation ([A] 3-4)
 - * Qualitative response models ([M] 2-3, [A] 9, [H] 7, [G] 21)
 - * Tobit model ([A] 10, [H] 6, [G] 22)
 - * Self selection models ([M] 9)
 - * Duration analysis ([L], [G] 22)
 - * Structural estimation
5. Introduction to non-parametric methods
 - * Kernel estimation
 - * Local Linear Regression

Requirements and grading

25% problem sets, 25% midterm, 50% final, both exams are open-book

Readings

The textbooks for the class are:

1. Econometrics Analysis, [G], William H. Greene
2. Analysis of Panel Data, [H], Cheng Hsiao, Cambridge U. Press, 1986
3. Limited-dependent and Qualitative Variables in Econometrics, [M], G.S. Maddala, Cambridge U. Press, 1983

Other useful references are:

1. Advanced Econometrics, [A], Takeshi Amemiya, Harvard U. Press, 1985
2. Gary Chamberlain (1984) "Panel Data", in Handbook of Econometrics vol. II, edited by Z. Griliches and M.D. Intriligator, pp.1247-1318. Amsterdam North-Holland.
3. The Econometric Analysis of Transition Data, [L], Tony Lancaster, Cambridge U. Press, 1990.
4. Applied Nonparametric Regression, Wolfgang Hardle, Cambridge U. Press, 1989.

Additional references will be provided for the various topics.

ECONOMICS OF TRANSITION II

	<i>Chief Lecturer</i>	<i>Lecturer</i>	<i>Lecturer</i>
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Course information

The course is a standard one semester course, two 90 minutes classes per week plus one student seminar presentation. Review of theoretical and empirical studies focused on economics of transition. The course is a two-semesteral one and this syllabus covers both semesters.

Preliminary requirements: Microeconomics, Basic Econometrics.

Recommended complementary courses: Industrial Organization, Econometrics.

Course outline and readings

A. MICROECONOMIC ASPECTS OF TRANSITION AND BACKGROUND LITERATURE

(i) Models of Planned Economies - Classical Literature

a) Literature of a standard view of elementary theory of planning, pre-requisite readings:

Ward, Benjamin: The socialist economy. Berkeley, University of California Press, 1967

Hayek, F.A. (ed): Collectivist Economic Planning. London, Routledge, 1935

Lange, Oskar, and F.M. Taylor (eds): On the Economic Theory of Socialism. Minneapolis: University of Minnesota Press (Reprinted, NY: McGraw-Hill, 1964)

The New Palgrave: Problems of the planned economy

Kowalik, T.: Lange Lerner mechanism

Vohra, R.: Planning

b) Producer in Planned Environment

Abel, Istvan and John P. Bonin (1990): Behavior of the Socialist firm under Indirect Control. In: Quandt and Triska: Optimal Decisions in Markets and Planned Economies. Westview Press, 1990

Portes, Richard D.: The enterprise under central planning. The Review of Econ. Studies, 36, 1969, no. 2, pp. 197 - 212

Kornai, Janos (1986): The Soft Budget Constraint. Kyklos-Malinvaud

Hlavacek, Jiri (1990): Producer's Criteria in a Centrally Planned Economy. In: Quandt and Triska.

(ii) Labor managed firm

Ward, Benjamin (1958): The Firm in Illyria: Market Syndicalism, American Economic Review, 566-89; or chapters 8 - 10 in Ward.

Domar, Evsey (1966) "The Soviet Collective Farm as a Producer Cooperative. American Economic Review, 734-757

Prasnikar, J., J. Svejnar, D. Mihajlek and V. Prasnikar (1994): Behavior of Participatory Firms in Yugoslavia: Lessons for Transforming economies. Review of Economics and Statistics, 728-740

Spinnewyn, Frans and Jan Svejnar (1990): Optimal Membership, Employment, and Income Distribution in Unionized and Labor Managed Firms. Journal of Labor Economics, 317-340

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3.6 Speed and Methods of Reform

*Roland, Gerard: *Speed and Methods of Price Liberalization, Transition and Economics*, MIT Press, 2000, Chapter 6, pp. 131-152.

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Useful Books for both sequences:

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Gerard Roland, *Transition and Economics*, MIT Press, 2000.

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Marie Lavigne, *The Economics of Transition*, NY, London, 1995.

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Note: The reading list can be updated during the semester in order to accommodate the needs of the course and/or to reflect recent developments in the literature on transition.

Requirements and grading

The course will typically consist of traditional lectures and seminar/visiting speaker per week. Lectures will cover up to date papers as well as classical treatments of related topics. There is one midterm and final exam. The students will be asked to prepare presentation of some of the papers covered. Grading will be based on exams, in-class and seminar presentation.

FINANCIAL MARKETS II

	<i>Lecturer</i>	<i>Lecturer</i>	<i>Teaching Assistant</i>
Name	Ronald Anderson	Martin Hlušek	Tbd
Office			
Phone			
e-mail	R.W.Anderson@lse.ac.uk	Martin.Hlusek@standardbank.com	
Office hours			

Course information

This course is devoted to dynamic analysis of financial markets at the doctoral level. In particular it covers the foundations of analysis of dynamic models in discrete and continuous time. It then applies these methods to derivatives pricing, contingent claims analysis, and topics in corporate finance. The course is organized into two parts. The first covers fundamental concepts and applications to options and other derivatives. It will be taught by Martin Hlusek. The second covers contingent claims pricing and dynamic models in corporate finance. It is taught by Ron Anderson.

Course outline and readings

Part I: (Martin Hlusek)

1. Introduction to stochastic calculus

- Arnold: *Stochastic Differential Equations*
- Brock, Malliaris: *Stochastic Calculus – Applications in Economic and Finance*

2. Modelling stock price behavior

- Samuelson P.A.: “Proof that properly anticipated prices fluctuate randomly”, *Industrial Management Review* 6, 1965
- Mandelbrot B.B.: “The variation of certain speculative prices”, *Journal of Business* 36, 1963

- Fama E.F.: "The behaviour of stock market prices", Journal of Business 38, 1965

3. Options

- Black, F. , M. Scholes: "The pricing of options and corporate liabilities", Journal of Political Economy 81, 1973
- Merton R.C.: "Theory of rational option pricing", Bell Journal of Economics and Management Science, 1973
- Margrabe W.: "The value of an option to exchange one asset for another", Journal of Finance 33, 1978
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- Merton R.C., Samuelson P.: "A complete model of warrant pricing that maximizes utility", The Collected Papers of P. A. Samuelson, Vol. III, MIT Press 1972
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- Cox J.C., Ross S.A., Rubinstein M.: "Option pricing: A simplified approach", Journal of Financial Economics 7, 1979

4. Models for interest rate dependent securities

- Vasicek O.A.: "An equilibrium characterization of the term structure", Journal of Financial Economics 5, 1977
- Cox J.C., Ingersoll J.E., Ross S.A.: "An inter-temporal general equilibrium model of asset prices", Econometrica 53, 1985
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- Hull J., A. White: "Pricing interest rate derivative securities", Review of Financial Studies 3, 1990
- Heath D.R., Jarrow R., Morton A.: "Bond pricing and the term structure of interest rates: A new methodology", Econometrica 60, 1992

Part II (Ronald Anderson)

1. Credit risk

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- Duffie, D. and Pan, J (1997) "An Overview of Value at Risk," Journal of Derivatives. 4 pp7-49.
- Crouhy M., D. Galai, and R. Mark (2000) "A Comparative Analysis of Current Credit Risk Models," Journal of Banking and Finance.24, 59-117.

2. Contingent claims analysis

- R.C.Merton, "On the pricing of corporate debt: the risk structure of interest rates," Journal of Finance. 29 (1974) 449-470.
- F. Black and J. Cox, "Valuing Corporate Securities: Some Effects of Bond Indenture Provisions," Journal of Finance. 31 (1976) 351-368.
- Leland, H. (1994), "Risky Debt, Bond Covenants and Optimal Capital Structure," Journal of Finance. 49, 1213-1252.
- Leland, H. and K. Toft "Optimal Capital Structure, Endogenous Bankruptcy, and the Term Structure of Credit Spreads," Journal of Finance. 51 (1996) 987-1019.
- Longstaff, F. and E. Schwartz, "A Simple Approach to Valuing Risky and Floating Rate Debt," Journal of Finance. 50 (1995) 789-819.
- Anderson, R.W. and S. Sundaresan, "Design and Valuation of Debt Contracts," Review of Financial Studies. 9 (1996) 37-68.
- Mella-Barral, P. and W. Perraudin, "Strategic Debt Service," Journal of Finance 52 (1997) 531-56.
- R. Anderson, S.Sundaresan and P.Tychon "Strategic Analysis of Contingent Claims," European Economic Review. (1996) 40, 871-882..
- G. Duffee ' Estimating the price of default risk,' Review of Financial Studies. 12 (1999) 197-226.
- D. Duffie and K. Singleton 'Modelling term structures of defaultable bonds,' Review of Financial Studies. 12 (1999) 687-720.
- R. Anderson and S. Sundaresan " A Comparative Study of Structural Models of Corporate Bond Yields," Journal of Banking and Finance 24 (2000) 255-269.
- J.Ericsson and J. Reneby ' The value of Corporate Liabilities : Theory and Tests' 2001, working paper.

3. Dynamic corporate finance

- Fischer; E.R. Heinkel, and J. Zechner, "Dynamic Capital Structure Choice: Theory and Tests," Journal of Finance. 44 (1989) 19-40
- Mello, A.S. and J. Parsons, "The Agency Costs of Debt," Journal of Finance. 47,(1992) 1887-1904.

Mella-Barral, P. "The Dynamics of Debt Default and Debt Reorganization," *Review of Financial Studies*. 12 (1999) 535-578.

Décamps, J.P. and A. Faure-Grimaud, "Excessive Continuation and Dynamic Agency Costs of Debt," *European Economic Review*. (forthcoming).

Zwiebel, J., "Dynamic Capital Structure under Managerial Entrenchment," *American Economic Review*. 86 (1996) 1197-1215.

Myers, S. , "Outside Equity Financing," *Journal of Finance*. (2000)

Fluck , Z., "Optimal Financial Contracting : Debt versus Outside Equity," *Review of Financial Studies*. 11 (1998) 383-418.

R.Anderson and K. Nyborg, "Financial Development, Agency and the Pace of Adoption of New Techniques," FMG working paper (2001)

Requirements and grading

Each instructor will provide separately his own grading policy. The final grade for the course will be the average of both grades.

HEALTH ECONOMICS

	<i>Lecturer</i>	<i>Teaching Assistant</i>
Name	Jane E. Ruseski	Tbd
Office	406	
Phone	240 05 133	
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Office hours		

Course information

This course is a one semester topics course in the economics of health and health care. The health care sector is complex and has special economic characteristics causing many to question the applicability of economic analysis to it. Economic analysis is applicable to the health economy because it can help us understand how decision makers throughout the health care sector make choices, in spite of the special characteristics of health care markets. This course will review empirical and theoretical studies focused on health care markets, health insurance, health sector system reform and health care policy.

Course outline

DEMAND FOR HEALTH CARE

1. Demand for Health
2. Derived Demand for Health Care
3. Health Insurance and the Demand for Health Care

HEALTH INSURANCE

1. Moral Hazard
2. Adverse Selection
3. Market for Health Insurance

HEALTH CARE MARKETS AND COMPETITION

1. Hospitals
2. Physicians
3. Pharmaceuticals
4. Long-Term Care

HEALTH SYSTEM REFORM

1. Efficiency
2. Social Insurance
3. Incentives

HEALTH POLICY DEBATES

Requirements and grading

Grading will be based on a mid-term exam, a final exam and an empirical term paper.

Readings

Books

Folland, Sherman, Allen C. Goodman and Miron Stano, *The Economics of Health and Health Care*, 3rd edition, Prentice Hall, 2001.

William Jack, *Principles of Health Economics for Developing Countries*, World Bank Institute Development Studies, 1999.

Readings

Newhouse, Joseph P., "Medical Care Costs: How Much Welfare Loss?", *Journal of Economic Perspectives*, 6:3 (Summer 1992):3-21

Pauly, Mark V., "Is Medical Care Different?" in *Competition in the Health Care Sector: Past, Present and Future*, Lawrence Goldberg and Warren Greenberg, eds. Federal Trade Commission, Washington, D.C. (1978)

Pauly, Mark V., "Is Medical Care Different? Old Questions, New Answers", in *Competition in the Health Care Sector: Ten Years Later*, Warren Greenberg, ed., Duke University Press (1988)

Dor, Gertler, and van der Gaag, "Non-Price Rationing and the Choice of Medical Care Providers in Rural Cote d'Ivoire" *Journal of Health Economics*, 6 (December 1987):291-304

Manning, Willard G. et. al, "Health Insurance and the Demand for Medical Care", *American Economic Review*, 77 (June 1987):251-277

Pauly, Mark V., "The Economics of Moral Hazard: Comment", *American Economic Review*, 58, Part 1 (June 1968):531-537.

Newhouse, Joseph P., "Reimbursing Health Plans and Health Providers: Efficiency in Production versus Selection", *Journal of Economic Literature*, 34 (September 1996): 1236-1263.

Madrian, Brigitte C., "Employment-Based Health Insurance and Job Mobility: Is There Evidence of Job Lock?", *Quarterly Journal of Economics*, 109 (February 1994): 27-54.

Feldman, Roger et. al., "The Effects of Premiums on the Small Firm's Decision to Offer Health Insurance", *Journal of Human Resources*, 32, (1998):635-658.

Cutler, David M. and Sarah J. Reber, "Paying for Health Insurance: The Trade-off between Competition and Adverse Selection", *Quarterly Journal of Economics*, 113(2), (May 1998): 433-466.

Diamond, Peter, "Organizing the Health Insurance Market", *Econometrica*, 60, (1992): 1233-1254

Rothschild, Michael and Joseph Stiglitz, "Equilibrium in Competitive Insurance Markets: An Essay on the Economics of Imperfect Information", *Quarterly Journal of Economics*, 90, (November 1976): 629-649.

Randall Ellis, "Employee Choice of Health Insurance", *Review of Economics and Statistics*, 71, (May 1989): 215-223.

Hodgkin, Dominic and Thomas G. McGuire, "Payment Levels and Hospital Response to Prospective Payment", *Journal of Health Economics*, 13, (1994):1-29.

Zwanzinger, Jack and Glen A. Melnick, "The Effects of Hospital Competition and the Medicare PPS Program on Hospital Cost Behavior in California", *Journal of Health Economics*, 7(4), (March 1988):301-320.

Dranove, David, Mark Shanley and William D. White, "Price and Concentration in Hospital Markets: The Switch from Patient-Driven to Payor-Driven Competition", *Journal of Law and Economics*, 36(1):Part 1, (April 1993):179-204.

Zabinski, Daniel, Thomas M. Selden, John F. Moeller and Jessica S. Banthin, "Medical Savings Accounts: Microsimulation Results from a Model with Adverse Selection", *Journal of Health Economics*, 18(2), (April 1999):195-218.

Lu, J. Z. and W.S. Comanor, "Strategic Pricing of New Pharmaceuticals", *The Review of Economics and Statistics*, 80, (1998):108-117.

Frank, Richard G. and David S. Salkever, "Generic Entry and the Pricing of Pharmaceuticals" *Journal of Economics and Management Strategy*, 6(1), (Spring 1997):75-90.

Henderson, Rebecca and Iain Cockburn, "Scale, Scope and Spillovers: The Determinants of Research Productivity in Drug Discovery", *Rand Journal of Economics*, 27(1), (Spring 1996):32-59.

Grabowski, H.G. and J.M. Vernon, "Brand Loyalty, Entry and Price Competition in Pharmaceuticals After the 1984 Drug Act", *Journal of Law and Economics*, 35, (1992):331-350.

Grabowski, H.G. and J.M. Vernon, "Returns to R&D on New Drug Innovations", *Journal of Health Economics*, 13, (1994):383-406.

DiMasi, J.A. et. al., "Cost of Innovation in the Pharmaceutical Industry", *Journal of Health Economics*, 10 (1991):107-142.

Norton, Edward C. and Staiger, Douglas, O., "How Hospital Ownership Affects Access to Care for the Uninsured", *Rand Journal of Economics*, 10(1), (Spring 1994):171-185.

Zuckerman, S., Jack Hadley and L. Iezzoni, "Measuring Hospital Efficiency with Frontier Cost Functions", *Journal of Health Economics*, 13 (1994):255-280.

item Newhouse, Joseph P., "Toward a Theory of Nonprofit Institutions: An Economic Model of Hospitals", *American Economic Review*, 60(1), (March 1970):64-74.

Pauly, Mark V. and Michael Redisch, "The Not-for-Profit as a Physician's Cooperative", *American Economic Review*, 63(1), (March 1973):87-100.

Harris, Jeffrey E., "The Internal Organization of Hospitals: Some Economic Implications" *Bell Journal of Economics*, 8, (1977):467-482.

Nyman J.A. and D.L. Bricker, "Profit Incentives and Technical Efficiency in the Production of Nursing Home Care", *The Review of Economics and Statistics*, 71, (1989):586-594.

Rosko, M.D. et. al., "The Effects of Ownership, Operating Environment and Strategic Choices on Nursing Home Efficiency", *Medical Care*, 33, (1995):1001-1021

Calem, Paul S. and John A. Rizzo, "Competition and Specialization in the Hospital Industry: An Application of Hotelling's Location Model", *Southern Economic Journal*, 61, (1995):1182-1198.

Dranove, David and William D. White, "Recent Theory and Evidence on Competition in Hospital Markets", *Journal of Economics and Management Strategy*, 3, (Spring 1994):169-209.

Gruber, Jonathon, "The Effect of Competitive Pressure on Charity: Hospital Responses to Price Shopping in California", *Journal of Health Economics*, 13 (1994): 183-211.

Carey, Kathleen and James F. Burgess, Jr., "On Measuring the Hospital Cost/Quality Trade-off", *Health Economics*, 8(6), (September 1999):509-520.

Chetty, V.K., "Stochastic Technology, Production Organization and Costs", *Journal of Health Economics*, 17(2), (April 1998):187-210.

Goddeeris, John H., "Insurance and Incentives for Innovation in Medical Care", *Southern Economic Journal*, 51, (1984):530-539.

Escarce, Jose J., "Externalities in Hospitals and Physician Adoption of a New Surgical Technology: An Exploratory Analysis", *Journal of Health Economics*, 15(6), (December, 1996):715-734.

Dunn, D.L. et. al., "Economies of Scope in Physicians' Work: The Performance of Multiple Surgery", *Inquiry*, 32, (1995):87-101.

Peden, Edgar A. and Mark S. Freeland, "Insurance Effects on U.S. Medical Spending (1960-1993)", *Health Economics*, 7(8), (December, 1998):671-687.

Hill, Steven C. and Barbara L. Wolfe, "Testing the HMO Competitive Strategy: An Analysis of its Impact on Medical Care Resources", *Journal of Health Economics*, 16(3), (June 1997):261-287.

Dalton, Kathleen, Edward C. Norton and Kerry Kilpatrick, "A Longitudinal Study of the Effects of Graduate Medical Education on Hospital Operating Costs", *Health Services Research*, 35(6), (February 2001):1267-1292.

Gaynor, Martin, "Issues in the Industrial Organization of the Market for Physician Services", *Journal of Economics and Management Strategy*, 3, (Spring 1994):211-255.

Thornton, James and B.K. Eakin, "The Utility Maximizing Self-employed Physician", *Journal of Human Resources*, 32, (1997):98-128.

Wong, Herbert S., "Market Structure and the Role of Consumer Information in the Physician Services Industry: An Empirical Test", *Journal of Health Economics*, 15, (April, 1996):139-160.

Bolduc, Dennis, Bernard Fortin and Marc-Andre Fournier, "The Effect of Incentive Policies on the Practice Location of Doctors: A Multinomial Probit Analysis", *Journal of Labor Economics*, 14, (1996):703-732.

Cutler, David, "A Guide to Health Care Reform", *Journal of Economic Perspectives*, 8:3, (Summer 1994):13-29.

Aaron, Henry J., "Issues Every Plan to Reform Health Care Financing Must Confront", *Journal of Economic Perspectives*, 8:3, (Summer 1994):31-43.

Zeckhauser, Richard, "Public Finance Principles and National Health Care Reform" *Journal of Economic Perspectives*, 8:3, (Summer 1994):55-60.

Pauly, Mark, "Universal Health Insurance in the Clinton Plan: Coverage as a Tax-Financed Public Good", *Journal of Economic Perspectives*, 8:3, (Summer 1994):45-53.

INDUSTRIAL ORGANIZATION I

	<i>Lecturer</i>	<i>Co-lecturer</i>	<i>Teaching Assistant</i>
Name	Avner Shaked	Kresimir Zigic	Michael Kúnin
Office	332a	306	42
Phone	240 05 233	240 05 245	240 05 238
e-mail	shaked@glider.econ3.uni-bonn.de	Kresimir.zigic@cerge-ei.cz	Michael.kunin@cerge-ei.cz
Office hours	Please see http://www.cerge-ei.cz/consult/	By appointment	By appointment

Course information

The first part of the I.O. course dealt mainly with the issue of strategic interaction following closely the second part of J.Tirole's *Industrial Organisation* and accompanied journal articles. The second course in *Industrial organization* will continue to look at the strategic interaction issues in the context of the innovation and market structure. The special focus will be on the role of strategic interactions in the international trade and associated

theory of strategic trade policy. In addition, the concept of dynamic games and the theory of auction will be introduced. The last part of the course will be devoted to the several issues concerning the theory of firm (the role of transaction costs, property rights approach, principal-agent model, etc.).

Course outline

The theories of firm
Dynamic games and markets
Mechanism design and auctions
Bargaining theories
Price formation in markets
R&D and market structure
Industrial organization and international trade - strategic trade policy

Requirements and grading

The course will be accompanied by exercises sessions, midterm exam (35%), students' presentations (15%) and final exam (50%).

Readings

Books:

- 1.) Tirole, J: "The Theory of Industrial Organization.", MIT press, 1989.
- 2.) K. Binmore: "Fun & Games", Lexington. Massachusetts:D.C. Heath, 1992.
- 3) O. Hart: "Firms, Contracts and Financial Structure, Oxford, Clarendon, Press, 1995.
- 4.) Martin, S. 1993. Advanced Industrial Economics, Blackwell, Oxford UK and Cambridge USA.
5. S. Matthews: "Technical Primer on Auction Theory", NWU, 1990
6. Green, J., Mas-Colell, M., and Whinston, M.D, "Microeconomic Theory", Oxford University Press, 1995
- 7) Handbook of Industrial Organization, Vol I and II,

Articles:

- 1) Alchian, A., and Demsetz, H (1972): "Production, Information Costs, and Economic Organization", American Economic Review (5);777-95.
- 2) Bhattacharjea, A. 1995. "Strategic tariffs and endogenous market structures: Trade and industrial policies under imperfect competition", Journal of Development Economics, Vol.47, 287-312
- 3) Brander, J. 1995. "Strategic Trade Policy", in G.M. Grossmann and K.Rogoff editors, The Handbook of International Economics, vol. 3. North-Holland
- 4) Cheng, L.K. 1988, "Assisting domestic industries under international oligopoly: The relevance of the nature of competition to optimal policies", American Economic Review 78, 764-758.
- 5) Dasgupta, P. and J. Stiglitz. 1980. "Industrial Structure and The Nature of Innovative Activity." Economic Journal 90: 266-93.
- 6) Kamien, I. M., E. Muller and Zang. 1992. "Research Joint Venture and R&D Cartels." American Economic Review 82: 1293-1306.
- 7) Klein, B., Crawford, R. and Alchian, A: (1978) "Vertical Integration, Appropriable Rents, and the Competitive Contracts Process," Journal of Law and Economics.
- 8) Lee, T. and L. Wilde. 1980. "Market Structure and Innovation: A Reformulation." Quarterly Journal of Economics 194: 429-436.
- 9) Loury, G.C. 1979. "Market Structure and Innovation ." Quarterly Journal of Economics 93: 395- 410.
- 10) Maggi, G.1996. "Strategic Trade Policies with Endogenous Mode of Competition", American Economic Review, 86(1): 237-258.
- 11) Suzamura (1992): "Cooperative and Noncooperative R&D in an Oligopoly with Spillovers", American Economic Review, 82, 1307-1320.

MONETARY ECONOMICS II

	<i>Lecturer</i>	<i>Teaching Assistant</i>
Name	Byeongju Jeong	Tbd
Office	321	
Phone	240 05 258	
e-mail	Byeongju.jeong@cerge-ei.cz	
Office hours	drop-ins and by appointments	

Course information

We will study some macroeconomic issues that involve more than one country. First, we will examine general theories and empirical patterns of current account and the exchange rate. Second, we will focus on currency and debt crises in developing countries, comparing recent episodes and examining theories that attempt to account for these episodes. Third, we will examine the international linkages in accounting for long-run cross-country differences in the level and the growth of output, comparing the divergent experiences across developing countries in technology adoption and trade and examining theories that attempt to account for these differences.

Requirements and grading

You are required to write a short paper (about 5 pages), and present it in class (for about 20 minutes). The paper can be either 1) of your own idea, or 2) a critical review of a paper or papers in the literature. The paper is due two weeks before the last class meeting. The grade is based on the midterm exam (25%), the final exam (25%), the paper and the presentation (30%), and occasional home problems (20%).

Readings

The reading materials will be selected chapters of the book "Foundations of International Macroeconomics" by Obstfeld and Rogoff and some modern international macro papers. As we go along, I will announce the chapters and the papers to be discussed.

ACADEMIC WRITING III

	<i>Teacher</i>
Name	English faculty
Office	
Phone	
e-mail	
Office hours	

Course information

This will be a workshop/seminar style class tailored to the specific needs of the class members. The primary "texts" will be journal articles assigned as required reading in students' economics field courses. Summaries and critiques of these can constitute writing assignments for the course. In the second half of the course, drafts of field course papers will be critiqued by classmates and the instructor. The instructor will coordinate deadlines with the economics professors so that significant feedback can be provided before final drafts are due. Good writing models of journal articles similar in focus to those being written by class participants will serve as secondary "texts." Students will analyze these and try to practice the successful strategies of "expert" writers (identified by the instructor in consultation with course lecturers). Additionally, the instructor will expect students to justify their chosen style in terms of the content of their papers.

Specific contextual exercises will be selected or designed to examine and help eliminate remaining problems with grammar, sentence structure, word choice, and textual cohesion and coherence.

Toward the end of the semester a significant part of class time will be devoted to preparing students to take the Writing Proficiency Exam.

Requirements and grading

Grades will be based on a student's mastery of structure/organization and the mechanics of English on essays serving as joint assignments for English/Economics classes, supplemented by writing assignments designed by the instructor. For a midterm and final, students will write in-class essays on economics-related topics.

Readings

Selected economics journal articles and other economics-related essays chosen as models of clear and concise English style.

ADVANCED ENGLISH COMBINED SKILLS

	<i>Teacher</i>
Name	English faculty
Office	
Phone	
e-mail	
Office hours	

Course information

The purpose of this class is to prepare students for the written and oral presentations they will be expected to produce as Ph.D. candidates and as economists. The course will focus on developing and refining oral fluency and presentation skills (including pronunciation), improving professional writing skills, expanding scholarly economics vocabulary, and increasing overall proficiency in English.

Students may consult with the instructor on any written work assigned in concurrent economics courses. Any in-class oral presentations required by economics instructors may be rehearsed in this class before the final presentation for the economics class.

Course outline

Specific aspects of professional preparation to be addressed include the following:

- Videotaped oral presentations (short informative talks, seminar and conference papers, class lectures)
- Professional documents (formal letters and email, resume/c.v., creating a professional web site)
- Research-grant proposal writing

Requirements and grading

- Oral presentations of various lengths (3-4 per student)
- Professional writing/design tasks
- One research-grant proposal

Readings/Exercises

Handouts and other class materials will be provided by the instructor or downloaded from the Internet by students.

C. Third year students

ACADEMIC WRITING IV

	<i>Teacher</i>
Name	English faculty
Office	
Phone	
e-mail	
Office hours	

NOTE: This customized class will be arranged on an individual basis if needed.

Course information

Any third-year student who does not pass the Writing Proficiency Exam will meet with an English instructor according to a schedule determined by the instructor after consulting with the student and diagnosing problems in the student's exam. The "text" for the tutorial will be any reading, analyzing, critiquing or writing engaged in by the student in the process of dissertation research and writing. The instructor may also assign exercises to aid the student in overcoming lingering problems with specific aspects of academic English.

Requirements and grading

No exams will be given but a course grade will be assigned. Credit hours will be determined at the end of the course based on total meeting time.

III. CERGE Faculty Members Teaching in the Spring Semester 2002

Ronald W. Anderson

Received his B.A. in Economics from Colgate University in 1969, his M.A. from University of Michigan in 1970 and Ph.D. in Economics from University of Michigan in 1976. From 1976 to 1980 Assistant Professor, from 1980 to 1984 Associate Professor at Columbia University (Graduate School of Business). From 1984 to 1994 Professor of Economics at City University of New York (Graduate Center) and from 1994 to 1995 Wasserman Professor of Finance at the same university, Baruch College. He spent one year at Hong Kong University of Science and Technology as a Visiting Professor of Finance (1997-1998). From 1990 to 2000 he worked as a Professeur Ordinaire at Université Catholique de Louvain, Belgium.. Since 2000 has been Professeur Extraordinaire at Université Catholique de Louvain, Belgium, and Professor of Finance at London School of Economics and Political Science. He joined CERGE-EI as a Visiting Professor in 2001.

Austin Andrew

Ph.D. in Economics from University of Pennsylvania (1991), Diploma in Economics (1986) from University of Cambridge. Executive secretary for Program for Assessing and Revitalizing the Social Sciences (1989-1990), Research Associate in Institute for the Study of Political Economy (1997-2000), Assistant Professor in Department of Economics, University of Houston (1990-1998) and Visiting Assistant Professor in Bowdoin College (1998-present). Member of American Economics Association, Econometrics Society and Southern Economic Association. Research interest: theoretical and empirical analysis of municipal government, analytic models of political economy and game theoretic models of local public finance. Teaching interests: public economics, industrial organization, microeconomics and urban economics.

Jan Hanousek

Graduated in Probability and Statistics from Charles University, Prague in 1987 and received a CSc. (Ph.D.) in Statistics at Charles University. In 1989, received a scholarship for the 33rd Semester of Banach Center, Warsaw. Visiting Research Fellow at the Department of Statistics, Carleton University, Ottawa, 1989. Visiting Post-Doctoral Fellow at the Department of Statistics, Free University, Amsterdam, 1990. Visiting Researcher at the Economics Department, Princeton University, 1993. Visiting Post-Doctoral Fellow at the Department of Economics, University of Pennsylvania, 1994-1995. Since July 1, 1999 Director of CERGE, Charles University and Economics Institute of the Academy of Sciences, Prague.

Martin Hlušek

Graduated in 1994 from Czech Technical University, Prague with Ing. Degree in Mathematics. 1996-1997 visiting student, University of Toronto. 1994-1997 doctoral studies at CERGE, Charles University in Prague and received his Ph.D. in 1997. Since 1997 faculty at CERGE, Charles University. Fall 1996-Spring 1997 Research Assistant, Faculty of Management, Toronto. Fall 1994-Summer 1995 Research Assistant, CERGE, Charles University, Prague. Fall 1990-Spring 1994 Research Assistant, Academy of Sciences of the Czech Republic. June 1997-September 1998 Macroeconomic Analyst, Expandia Finance, Prague; September 1998-March 1999 Chief Economist, Expandia Finance, Prague. January 1998-March 1999 member of the Supervisory Board of Expandia Poland. April 1999-August 1999 Head of Research at IPB bank. September 1999 - September 2001 Head of Research at Erste Bank Sparkassen CR. Since September 2001 Currency Strategist, Standard Bank, London.

Byeongju Jeong

Graduated from the University of Texas in 1991 with a BA degree in Economics. Received an MA degree in Economics from the University of Minnesota in 1994. Received a Ph.D. degree in Economics from the University of Minnesota in 1996. From 1996 to 1997 Lecturer at Penn State University. Since 1997 Researcher at EI and Assistant Professor at CERGE, Charles University, Prague.

Štěpán Jurajda

Graduated from the Prague School of Economics in 1992 in Econometrics and Operations Research. Received his M.A. and Ph.D. degrees in Economics from the University of Pittsburgh in 1995 and 1997, respectively. Since 1997 Assistant Professor of Economics at CERGE and Researcher at the EI. Visiting Scholar at the William

Davidson Institute, University of Michigan Business School, summer 1999. Visiting Research Fellow at the Industrial Relations Section, Department of Economics, Princeton University, 1999-2000. Since 1999, Research Affiliate at the Centrum for Economic and Policy Research and Research Fellow at the William Davidson Institute, University of Michigan Business School. Since 2000, Deputy Director for Research, CERGE-EI.

Michal Kejak

Master of Science in Technical Cybernetics, Czech Technical University, Prague, Faculty of Electrical Engineering, Department of Control, June 1982. M.A. in Economics, Central European University, Prague, awarded by the University of the State of New York in August 1993. Ph.D. in Technical Cybernetics, Czech Technical University in Prague, Faculty of Machine Engineering, Department of Automatic Control, October 1993. Diploma, Program in Applied Economics 1993-1994, Institute for Advanced Studies, Vienna, June 1994. Researcher, Institute for Application of Computing Technique in Control, Prague, September 1982-July 1990. Researcher, Institute for Forecasting of the Academy of Sciences of the Czech Republic, Prague, August 1990-March 1993. Visiting Research Fellow, Economics Department, Institute for Advanced Studies, Vienna, May 1993-July 1994. Visiting Scholar, Hoover Institute, Stanford University, September 1995-June 1996. Temporary Consultant, World Bank, 1999. Since 1993 a Researcher at the Economics Institute of the Academy of Sciences of the Czech Republic. Since 1997 an Assistant Professor at CERGE, Charles University, Prague.

Lubomír Lízal

Graduated from Czech Technical University in Prague, The Faculty of Electrical Engineering in 1992. Received his Master's diploma in Systems Programming and Electronic Computers. Is currently Researcher at the Economics Institute of the Academy of Sciences of the Czech Republic. Defended his Ph.D. thesis at CERGE, Charles University, Prague in 1998. Short-term consultant for the World Bank in 1994. Has held fellowships at the Tinbergen Institute, Amsterdam, in 1992, at the University of Pittsburgh, 1994-1995, and at the William Davidson Institute at the University of Michigan, 1996-1997. Member of the European Economic Association, CEPR, Česká ekonometrická společnost (Czech Econometrics Society) and a William Davidson Institute Research Fellow.

Chris Mason

Received a Higher Technical Education Certificate in Engineering Science from Mid-Gloucester Technical College, England, in 1982; B.A. (with Second Class Honours) in Philosophy/Social Administration from Lancaster University in 1990; RSA Cambridge Certificate in T.E.F.L.A. from Hilderstone College, Kent in 1991; and M.A. (TESOL) from the Institute of Education, University of London in 1994. He has taught EFL/ESP in Oman, Saudi Arabia, Kenya, Hong Kong, Jakarta and Tokyo.

Laura Mentz

Graduated from the Catholic University of America, Washington, D.C., in 1989 with a B.A. in Philosophy (with highest honors) and received an M.A. in Rhetoric and Linguistics from the same university in 1994. She has taught English Composition and ESL courses since 1992 at various colleges in the D.C. area and at George Mason Univ., Fairfax, Virginia, and has been an Instructor in English and ESL at Montgomery College, Rockville, Maryland, June 1997-July 2001. International Student Advisor at Montgomery College, May, 1999-July 2001; Contributing author and editor, *Thinking and Writing* (1998); Teacher/Consultant, Northern Virginia Writing Project.

Sarah Peck

Sarah Peck received a MA in Anthropology from Temple University, Philadelphia and a BA in Economics from Lafayette College, Easton, Pennsylvania. Previous teaching experience includes Fakulta Ekonomicka, Zapadoceska Univerzita in Cheb; Anglo-American College in Prague; Akiba Hebrew Academy and the Nationalities Service Center in Philadelphia, Pennsylvania.

Gerald Roland

Graduated with summa cum laude from the Université Libre de Bruxelles (U.L.B.), B.A. 1983, Master in Econometrics, 1984, Ph.D. in Economics, 1988; 1988-91: various courses in Economics at U.L.B.; 1991-1996: associate professor at U.L.B.; since 1996, full professor at ULB. Visiting positions: In 1988-89: Université Catholique de Louvain; invited professor at the University of California, Davis, March-July 1991; visiting fellow at

Collegium Budapest December 1993; ENTER visiting chair at University College London (October 1996), William Davidson Institute visiting chair at University of Michigan Business School (April 1997), Oslo University (August 1997); visiting professor at SITE (January 1997), at Studienzentrum Gerzensee (August 1997); in 1998-99, fellow at the Center for Advanced Study in the Behavioral Sciences in Stanford. C.E.P.R. research fellow, since 1991, C.E.P.R. Programme Director on "Transition Economics", since 1995, William Davidson Institute Research Fellow since 1997. Has consulted for the World Bank, European Commission and EBRD. Member of the Executive and Supervisory Committee (ESC) of CERGE.

Jane E. Ruseski

Graduated from University of New Hampshire with a B.S. degree in 1985. Graduated studies at Johns Hopkins University with a M.A. degree in Economics in 1992 and Ph.D. in Economics in 1998. Associate Director, Research and Methodology Maryland Health Services Baltimore, MD, 1990-1994. Deputy Director, Research and Methodology Maryland Health Services Baltimore, MD, 1995-1998. Member of American Economic Association, International Health Economics Association, and Association for Health Services Research. Since January 1999 Economist at Federal Trade Commission, Bureau of Economics (Antitrust Division) Washington, DC.

Will Seng

Received a B.A. in Humanities, with a major in English and a minor in French, from Indiana University of Pa. in 1970; M.A. in English Language and Literature from Ohio University, 1974. Instructor of English, 1988-92 and Asst. Professor of English, 1992-95, College of San Mateo, San Mateo, Calif.; EFL Instructor/Specialist, Aeon Intercultural Corp., Kyoto, Japan, 1995-96; freelance academic tutor/editor, 1996-97; Lecturer in English/Academic Writing, CERGE, 1998-present.

Avner Shaked

Graduated with special distinction from Hebrew University, Jerusalem, B.Sc. 1964, M.Sc. 1965, Ph.D. in Economics, 1972. 1968 Assistant Lecturer, Maths Dept. H.U., Jerusalem. 1969-1972 Assistant Lecturer, Economics Dept. H.U., Jerusalem. 1972-1974 Research fellow, Nuffield college, Oxford. 1974-1976 Lecturer, Economics Dept. H.U., Jerusalem. 1976-1977 Lecturer, Economics Dept, Birmingham University, U.K. 1977-1983 Lecturer, Economics Dept. London School of Economics, U.K. 1983-1989 Reader In Economics, L.S.E., U.K. 1989-present Professor of Economic Theory, Bonn University, Germany and CERGE-EI in Prague.

Richard Stock

Received a M. A. in Literature and Theory, concentrating in Later American Literature and Writing Studies, from the University of Illinois at Urbana-Champaign in 1998, and a B. A. in the Teaching of English, with a minor in Social Science, from the University of Illinois at Urbana-Champaign in 1996. He is a certified secondary school teacher in Illinois, USA, and has taught at Rolling Meadows High School in Illinois and the University of Illinois at Urbana-Champaign. In Prague he has taught at the Anglo-American College, the Czech Technical University in Prague and the U.S. Air Force Defense Language Institute.

Jan Švejnar

Graduated from Cornell University with a B.S. degree in Industrial and Labor Relations in 1974. Graduate studies at Princeton University with an M.A. degree in Economics in 1976 and a Ph.D. in Economics in 1979. Since 1996 the Executive Director of the William Davidson Institute at the University of Michigan Business School and the Everett E. Berg Professor and a Professor of Business Administration and Economics at the University of Michigan. Since 1994 an economic advisor to Czech president Vaclav Havel. From August 1992 to June 1999 the Director of the Economics Institute of the Academy of Sciences of the Czech Republic. Since 1991 Chairman of the Executive and Supervisory Committee, CERGE-EI, Charles University, Prague.

Krešimir Žigic

Graduated from the Faculty of Economics, University of Zagreb, B.A. 1982, M.A., 1988. Financial Officer, Rade Koncar Corporation, Zagreb, 1982-1990. Visiting professor, Universite Paris Dauphine, 2000, Lecturer, World Bank and Joint Vienna Institute Comprehensive Course, 1993-present. Lecturer, Central European University, 1994. Researcher at EI, 1994 - present. Assistant Professor, CERGE, 1995 - present. Ph.D. in Economics, CERGE, 1996.

IV. Academic Calendar for the Year 2001 / 2002

	September 2001	October 2001	November 2001	December 2001	January 2002	February 2002	March 2002	April 2002	May 2002	June 2002	July 2002	August 2002	
	3-7 10-14 17-21 24-28	1-5 8-12 15-19 22-26 29-2	5-9 12-16 19-23 26-30	3-7 10-14 17-21 24-28 31-4	7-11 14-18 21-25 28-1	4-8 11-15 18-22 25-1	4-8 11-15 18-22 25-29	1-5 8-12 15-19 22-26 29-3	6-10 13-17 20-24 27-31	3-7 10-14 17-21 24-28	1-5 8-12 15-19 22-26 29-2	5-9 12-16 19-23 26-30	
First year students	Fall semester 2001				Christmas holidays	Spring semester 2002				Summer semester 2002			Summer holidays
	A/D	•	M	•	•	F	A/D	M	•	•	F	•	G
Second year students	Fall semester 2001				Christmas holidays	Spring semester 2002				Directed research			Summer holidays
	A/D	•	M	•	•	F	A/D	M	•	•	F	•	G
Third and Fourth year students	Research seminar series				Christmas holidays	Research seminar series							Summer holidays
		•	•	•				•	•	•	•		
Preparatory semester											Preparatory semester 2002		
											M		F

A/D Add/drop period

G General-exams weeks

F Final-exams week

M Midterm-exams week (flexible)

• National holidays: April 1st, May 1st, May 8th, July 5th and 6th, September 28th, October 28th, November 17th

V. Schedules of the Spring Semester 2002

The schedules are subject to change. Most recent versions are at <http://www.cerge-ei.cz/internal/study/>

A. First year students

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
08:30 – 10:00		Academic Writing II. <i>Mentz</i> #314	Microeconomics II. <i>Exercises</i> #320	Academic Writing II. <i>Mentz</i> #314	
10:00 – 10:30	Coffee Break				
10:30 – 12:00	Econometrics I. <i>Hanousek</i> #320	Macroeconomics II. <i>Slobodyan</i> #320	Econometrics I. <i>Hanousek</i> #320	Macroeconomics II. <i>Slobodyan</i> #320	Econometrics I. <i>Exercises</i> #320
12:00 – 13:30	Lunch Break				
13:30 – 15:00	Academic Writing II. <i>Seng/Stock</i> #10/#314	Microeconomics II. <i>Austin</i> #320	Academic Writing II. <i>Seng/Stock</i> #10/#314	Microeconomics II. <i>Austin</i> #320	
15:00 – 16:30		Academic Writing II. <i>Mentz/Mason</i> #10/#314	Macroeconomics II. <i>Exercises</i> #320	Academic Writing II. <i>Mentz/Mason</i> #10/#314	
16:30 – 18:00	Research Seminar* #6			Research Seminar* #6	

* The Seminar course is optional for the first year students.

B. Second year students

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
08:30 – 10:00	Financial Markets II. <i>Exercises</i> #313	Monetary Economics II. <i>Exercises</i> #313	Adv. Macroeconomics II. <i>Exercises</i> #313	Econometrics IV. <i>Exercises</i> #313	Ind. Organization II. <i>Exercises</i> #313
10:00 – 10:30	Coffee Break				
10:30 – 12:00	Health Econ./AECS <i>Ruseski/Mason</i> #313/#10	Econometrics IV. <i>Jurajda</i> #313	Health Econ./AECS <i>Ruseski/Mason</i> #313/#10	Econometrics IV. <i>Jurajda</i> #313	Transition II. <i>Exercises</i> #313
12:00 – 13:30	Lunch Break				
13:30 – 15:00	Adv. Macroeconomics II. <i>Kejak-Slobodyan</i> #313	Industrial Organization II. <i>Shaked-Zigič</i> #313	Adv. Macroeconomics II. <i>Kejak-Slobodyan</i> #313	Industrial Organization II. <i>Shaked-Zigič</i> #313	Financial Markets II. <i>Anderson-Hlušek</i> #313
15:00 – 16:30	Acad. Writing III./AECS <i>Stock/Peck</i> #314/#10	Monetary Economics II. <i>Jeong</i> #313	Acad. Writing III./AECS <i>Stock/Peck</i> #314/#10	Monetary Economics II. <i>Jeong</i> #313	Financial Markets II. <i>Anderson-Hlušek</i> #313
16:30 – 18:00	Research Seminar #6	Transition II. <i>Líza-Švejnar</i> #313	Transition II. <i>Líza-Švejnar</i> #313	Research Seminar #6	

tba ... to be announced later

Notes: