Erasmus Mundus Masters Course

Master's Degree in Economics of Globalisation and European Integration

BOOK OF COURSE SYLLABI – semester I

Advanced Microeconomics

Course syllabus

Course title: Advanced Microeconomics
ECTS: 6
Semester: 1
Location: University of Bari (Italy)
Compulsory course: YES
Lecturers & Contacts:

- **Maria C. Lo Bue** Assistant Professor, University of Bari. Email: maria.lobue@uniba.it.
  Office hours: upon appointment.
- **Raffaella Patimo** Assistant Professor, University of Bari. Email: raffaella.patimo@uniba.it
  Office hours: upon appointment. Room 35, second floor

Prerequisites and co-requisites:

This class is intended for 1st year international master students. Basic algebra, calculus, probability analysis and basic microeconomics are required.

Learning outcomes and competences:

The main objective of this class is to acquaint 1st year master students with key issues in microeconomic theory to understand and model individual and firms' decision making. The theoretical approach of the course will set stronger foundations for analyzing economic problems and the impact of policies in advanced countries as well as in emerging economies.

Organization:

The Advanced Microeconomics module exists of 24 lectures of 2 hours each, four lectures per week.

Course content:

- Consumer Theory: preferences and utility; substitutability and complementarity; revealed preferences; intertemporal choice; choice under uncertainty; labour supply; minimum wages and discrimination; market demand and equilibrium.
- The theory of firm: a reminder of producer's theory
- Market structures: monopoly; monopoly behavior; oligopoly.
- Strategic interactions: an introduction to Game Theory
- Framing Effects in Consumer Choice: an introduction to Behavioral Economics.
- Asymmetric information.

Assessment methods:

Students will receive 6 credit points or 6 ECTS for successful completion of the course. The final grade is a weighted average of a final, written exam (weight: 0.7), a presentation on one of the assigned focus topics (weight: 0.25) and class participation (weight: 0.05).

Guidelines and rules for the presentation:

Students will be grouped into teams (2-3 students per team), each of which will work on one "focus topic". Each team will be responsible for communicating by mid-term the chosen topic to the instructors. The list of the focus topics, the related reading material as well as the deadline for informing the instructors on the chosen topic will be communicated during the first lecture and posted on the course's webpage. Topics will be assigned according to the first- come, first -served principle. Each team is required to develop a 30-minutes professional-grade presentation encompassing key components of the assigned topic. The presentations will cover the assigned reading material in addition to material from other sources which the student team will identify through independent research. The team is expected to work with the instructors to ensure that the presentation is professional.

Class participation:

Active participation in class is expected, especially during student presentations. Students must read all papers in advance of class presentations and be prepared to ask thoughtful questions. The class participation grade will be determined by the quality of participation during class and during class presentations.

Final written exam:

There will be a 2-hours written exam at the end of the course. The exam consists of two parts: a short questions section and an essay section.

Suggested readings / literature:

- Varian, H. R. 2010. Intermediate Microeconomics. 8th edition (or newer).
- Articles and notes distributed in the class

Advanced Macroeconomics

Course syllabus

Course title: Advanced Macroeconomics
ECTS: 6
Semester: 1
Location: University of Bari (Italy) / online
Compulsory course: YES
Lecturers & Contact: prof. Min Qiang (Kent) Zhao (Xiamen University)**,** Email:
    kent_zhao@xmu.edu.cn

Course Description:

This course is an introduction to the study of macroeconomics at an advanced level. We will begin with a basic understanding of macroeconomic facts related to growth and economic fluctuations, and then explore different economic models and research findings to help you acquire analytical skills to solve problems in macroeconomics. Some basic methods of solving dynamic macroeconomic models, such as differential calculus of constrained maximization and dynamic programming, will be introduced to you.

Required Textbook:

David Romer, *Advanced Macroeconomics* 4th Edition, McGraw-Hill/Irwin, 2012 (ISBN: 0073511374)

Supplementary Textbooks:

Robert J. Barro and Xavier I. Sala-i-Martin, *Economic Growth* 2nd Edition, The MIT Press, 2003 (ISBN: 0262025531)

Daron Acemoglu, *Introduction to Modern Economic Growth*, Princeton University Press, 2008 (ISBN: 0691132925)

Research Project:

You are required to do a research project related to macroeconomics. Your research topic needs to be approved by the instructor. The written project has to be submitted no later than **TBA** (**late submission will not be accepted**). The project should consist of the following seven components:

(1) Abstract (between 100 and 200 words).
(2) Introduction: you need to explain what your research question is, why your research question is important, and where your research question fits in the literature; you also need to provide a summary of your major findings in this section.
(3) Literature Review: you need to provide a summary of previous researchers' works that are related to your research question.
(4) Economic Analysis and Findings: an empirical paper should include data and empirical model, and a theoretical paper should include a theoretical model or theoretical arguments and derivations. You should present empirical or theoretical findings in this section.
(5) Conclusion: you need to explain what you have learned from this project and how your findings address your research question. If possible, you may also provide readers some policy recommendations derived from your empirical or theoretical findings.
(6) Reference.
(7) Tables and Figures.

The main text (Introduction + Literature Review + Economic Analysis and Findings + Conclusion) should be between 8 and 12 pages (Times New Roman,12-point font and 1.5 space)

Your written project will be checked by Turnitin (a plagiarism checker software). **If the similarity rate is greater than 20%, you will receive zero point for your research project. Please note re-submissions are not allowed.**

Homework:

Doing homework is one of the important ways to help you better understand course materials. You are encouraged to discuss homework problems with your classmates, but the final write-up of your homework solutions must be your own work.

Mid-term:

There are one closed-book midterm exam.

Class Participation:

You are required to participate in class discussion. Please note that there is no such thing called "dumb answer" in my class. Your input will always be appreciated.

Lecture Notes:

You can download lecture notes from the course website: TBA

It is not recommended to rely solely on lecture notes as they may not be as comprehensive as the textbook. You should always read the textbook carefully before and after classes.

Grades and Assignments:

Class Participation	10 pts
Homework	20 pts
Midterm	30 pts
Research Project	40 pts
Total	**100 pts**

Applied Econometrics 1

Course syllabus

Course title: Applied Econometrics I
ECTS: 6
Semester: 1
Location: University of Bari (Italy)
Compulsory course: YES

Lecturer & Contact: prof. Laura Serlenga(University of Bari) laura.serlenga@uniba.it, prof. Andrew Pua (Xiamen University) andrewypua@outlook.com, prof. Raffaele Lagravinese, raffaele.lagravinese@uniba.it

Version 24/08/2021

Lectures:

Thursdays and Fridays, 1430 to 1630 Bari local time (except October 21 and 22, 1530 to 1730 Bari local time)

Course goals:

At the end of the course, we want students to

- Know the basic concepts of econometric analysis and the core general econometric methods used for building estimators and tests

- Know the basic methods of econometric analysis, when they are valid, how do they work, how to use them

- Be able to move from a theoretical question or a theoretical model to a relevant econometric model and the econometric method to be used

- Be able to use econometric software for carrying out econometric analysis.

- Be able to interpret the results

Prerequisites:

The students must know the basics of statistical theory: probability distributions and their main properties, definition of a statistic, and main properties of statistics. They must also know the basics of linear algebra, matrix calculations, and optimisation.

Website:

All our materials will be available at Microsoft Teams.

Consultations:

Laura and Andrew will be available to answer questions in three ways:

- in class: Ask immediately before, during, or after the lecture.

- in Teams: every Wednesday from 1200 to 1300 Bari local time

- by email: expect responses within two working days.

Computing:

We will primarily use open source statistical software called GNU Regression, Econometrics, and Time-Series Library or `gretl`. This software is available primarily for Windows, Mac OS X, and for different flavors of Linux.

Main textbook:

V Verbeek, M. *A Guide to Modern Econometrics*, 5th ed. John Wiley & Sons, 2017.

We will follow this book most closely.

References include:

GIE Goldberger, A. S. *Introductory Econometrics*. Harvard University Press, 1998.
BW Wooldridge, J. M. *Introductory Econometrics: A Modern Approach*, 6th ed. Cengage, 2016.
SW Stock, J. H. and M. W. Watson. *Introduction to Econometrics* , 3rd ed. Pearson, 2013.

You are NOT required to buy or even use any of these references. But you are free to check them out to find out what level would be most suitable for you.

Course schedule:

The schedule below may be subject to change.

W01 Motivation, conditional expectations, best linear prediction, point identification, statistical inference [V Chapter 1, own notes]
W02 Least squares algebra, finite-sample and large-sample properties [V 2.1 to 2.3, 2.6]
W03 Goodness of fit, hypothesis testing, multicollinearity, from theory to model [V 2.4, 2.5, 2.7, 2.8; Nerlove (1963), Mankiw, Romer, and Weil (1992)]
W04 Special topics related to least squares: missing data, outliers, influential observations, prediction, variable selection, model selection, functional form [V 2.9, 2.10, 3.1 to 3.6]
W05 Least squares applied to time series data [V 8.1 to 8.3, 8.6 to 8.8]
W06 Heteroskedasticity [V 4.1 to 4.5]
W07 Autocorrelation [V 4.6 to 4.10]
W08 Endogenous Regressors, Instrumental Variables [V 5.1 to 5.5]
W09 The Generalized Instrumental Variables Estimator and The Generalized Method of Moments [V 5.6 to 5.8]
W10 Maximum Likelihood Estimation and Specification Tests [V 6.1 to 6.3]

Course grading:

The final course grade is based on a midterm exam (40% weight), a final exam (40% weight), and a catch-all for class participation (20% weight). At the moment, exams are written and closed-book. The catch-all for class participation may include short assignments.

International Trade

Course syllabus

Course title: International Trade
ECTS: 6
Semester: 1
Location: Xiamen University (China), University of Lille (France), University of Bari (Italy)
Compulsory course: YES
Lecturer & Contact: prof. **Nicola Daniele Coniglio** (University of Bari, Italy; email: nicoladaniele.coniglio@uniba.it), prof. **Ian Wooton** (University of Strathclyde, UK; EGEI fellow; email: ian.wooton@strath.ac.uk) , prof. **Maurizio Zanardi** (University of Surrey; EGEI fellow; email: m.zanardi@surrey.ac.uk)

Pre-requisites

Students are supposed to have knowledge of **Microeconomics** at an intermediate level.

Learning outcomes

Upon successful completion of the course, students should be able:

- To explain why all countries can benefit from international trade, despite differences in production technologies and factor endowments
- To understand the role of differences and similarities between countries in explaining international trade flows
- To predict the pattern of trade between countries and discuss the distributional effects within countries
- To discuss the implications of less-than-perfectly competitive market structures for trade between countries
- To explain the different trade policy instruments available to policy makers and discuss the arguments in favour of, and against, protection
- To analyse and critically assess the options of economic integration available to a country, in terms of free-trade and multilateral agreement
- To understand the causes and consequences of more recent phenomena such as the international fragmentation of production.

Lecture topics

Part 1 – Global Interactions and Global Institutions: an intro (N. Coniglio)

- International trade and factor mobility: The main facts
- International Economic Institutions (IMF, World Bank and WTO): origin, functioning and future prospects
- A view on other minor International Institutions

- Measuring global interactions: the Balance of Payment

Part 2 – Trade Theory (I. Wooton & N. Coniglio)

- Technology, factor endowments and trade
- Trade and imperfectly competitive markets
- Trade and Growth
- Economic geography
- Trade and firms
- Does it matter what countries export?
- Export booms

Part 3 – Trade Policy (M. Zanardi)

- Trade policy in general neoclassical trade model
- Trade policy under imperfect competition: Strategic trade policy
- Introduction to applied models of trade policy: From IO analysis to CGE/AGE
- Trade policy and economic integration: Customs unions and FTAs
- Administered protection
- Political economy of trade policy

Course contents

The course provides a sound theoretical and analytical basis for examining and evaluating the causes and consequences of international trade and factors mobility.

The course is structured around a set of topics which include:

- The determinants of international trade (technological differences, differences in factor endowments, economies of scale and market structure, differences in preferences across countries)
- International labour mobility
- Foreign direct investment and multinational enterprises
- International fragmentation of production (offshore outsourcing)
- International trade policies (with a focus on developing countries)
- Problems of trade in primary commodities

Core readings

- J.R. Markusen, J.R. Melvin, W. Kaempfer & K. Maskus (1995), International Trade: Theory and Evidence, McGraw-Hill
- *Articles and notes distributed in class*

Other suggested textbooks

- C. van Marrewijk (2007), International Economics: Theory, Application, and Policy, Oxford University Press, ISBN 978-0-19-928098-8

- P.R. Krugman & M. Obstfeld (2008), International Economics Theory and Policy, 8th edition, Pearson, ISBN 978-0-321-48883-1
- R.C. Feenstra & A.M. Taylor (2008), International Economics, Worth Publishers, ISBN 978-0-7167-9904-7

Organisation

The course consists of 150 hours spead over one term. About 40 hours of lectures and workshops are given in three sets of intensive lectures. 90 hours are required for individual study 20 hours are required for active preparation of the intensive lectures, including work with sample exercises and models.

Assessment

The students are evaluated through a written examination of three hours.

International & EU Law and Institutions

Course syllabus

> **Course title:** International & EU Law and Institutions
> **ECTS**: 6
> **Semester:** 1
> **Location:** University of Bari (Italy)
> **Compulsory course: YES**
> **Lecturer & Contact:** Prof. Marina Castellaneta (University of Bari), marina.castellaneta@uniba.it

Pre-requisites: none

Learning outcomes

By the end of the course, student will have a solid understanding of the nature, foundation, history, and overtime institutional developments and policy-making process of the EU. They will have developed a critical perspective on the major achievements of European integration and will be able to problematize the most relevant EU-related issues.

Upon successfully completing the course, the students will:

- Be familiar with the historical development of the process of European integration
- Have specific knowledge about the composition, functions, and tasks of the key EU institutions
- Have a good understanding of the EU policy-making and of the inter-institutional dynamics, including the work of the European Union in the area of external relations
- Critically read the institutional and political developments EU and discuss the future trajectories
- Contextualize the EU within the debate on federalism, inter-governamentalism, functionalism, etc.
- Be able to discuss the most recent and most relevant pan-European issues
- Understand (and problematize) the democratic and political process in the EU

Course contents

The aim of this course is to give an overview and a clear understanding of the political, institutional, and historical dimensions of the EU and of European integration. The lectures will provide a multifaceted overview on the political-institutional developments of the EU. Decision-making will be discussed looking at the interinstitutional interaction dynamics and at the formal and informal processes behind them. In particular, the following aspects will be discussed: the integration process over time, the most recent institutional developments, the EU's theoretical foundation and the main related concepts, the Union's institutional, political, and economic nature, and the tension between "widening" and "deepening".

The last part of the course will be devoted to the understanding and problematization of some of the most controversial contemporary issues such as the ongoing refugee crisis, prospects for further

political integration, common fiscal policy, foreign and security policy, external trade and enlargement.

List of topics

1. The EU integration process: historical and theoretical overview (Introduction to the course; Historical overview of the process of European integration; Focus on recent dynamics; Grand theories of European integration (federalism, neo-functionalism, liberal intergovernmentalism)

2. EU institutions: composition, functioning, role in the decision-making process (The European Commission; The Council of the EU and European Council; The European Parliament; Other institutions; The role of the Member states

3. The practice of EU integration: EU policies (internal dimension) (Conferral, subsidiarity, proportionality; EU policy cycle; Justice and Home affairs; Regulatory and re-distributive policies; Focus on current issues: refugee crisis

4. The practice of EU integration: EU policies (external dimension) (Common Foreign and Security Policy /European External Action Service; Enlargement; European Neighbourhood Policy and Eastern Partnership; Competing models of regional integration

Organisation / learning methods

Students' independent work is a key and fundamental element of the course. It is fundamental for a successful and proficient learning process and - as such - it will be evaluated and assessed during every meeting. Students are expected to work independently between sessions. This is crucial both in order to better interiorize the notions and experiences acquired during the preceding session (i.e. individual reflection on the results of the class discussion and application of the introduced research methods) and to prepare the informative background necessary to successfully participate to the successive meeting (preparations for the discussions in class).

Assessment

ASSIGNMENT / CRITICAL REVIEW (40%): It is a written assignment of around 1000 words on one suggested article/reading. In the first part of the text the student highlights the main contributions and argumentative points of the article and in the second part he/she expresses his/her considerations in the light of the classes discussions and of the compulsory readings. The components of the final evaluation will weight in the definition of the final grade according to the following percentages and distribution of points:

FINAL TEST (60%): It consists of a mix of open and closed (multiple-choice) questions addressing the main dimensions discussed during the course.

Core readings: John McCormick (2020). Understanding the European Union: a Concise Introduction. (the European Union Series) (English Edition), 7th Edition, Red Glove Press

Additional articles and readings will be made available during the course

Mathematics for Economists

Course syllabus

Course title: Mathematics for Economists
ECTS: 3
Semester: 1
Location: University of Bari (Italy)
Compulsory course: NO, optional skill course
Lecturers & Contacts:
Prof. Claire Naiditch (University of Lille), claire.naiditch@univ-lille.fr
Prof. Hubert Jayet (University of Lille), hubert.jayet@univ-lille.fr

Pre-requisites: none

Learning outcomes

By the end of the course, student will have a solid understanding of the main mathematical tools employed by theoretical and applied economists.

Course contents:

Students are required to work (self-study) during the 1st week (13-19 september 2021) using the material provided in the following online course:
https://mjo.osborne.economics.utoronto.ca/index.php/tutorial/index/1/toc)

In class lectures will cover the different topics of the course through in class assignments and solution of sets of exercises.

List of topics:

1. Review of some basic logic, matrix algebra, and calculus

2. Topics in multivariate calculus

3. Concavity and convexity

4. Optimization

5. Optimization: interior optima

6. Optimization: equality constraints

7. Optimization: the Kuhn-Tucker conditions for problems with inequality constraints

8.   Differential equations

9.   Difference equations

Organisation / learning methods

Students' independent work will be a key and fundamental element of the course. Class discussion and solution of exercises will further boost the acquisition of the skills required in subsequent courses.

Assessment

FINAL TEST: It consists of a mix of open and closed (multiple-choice) questions.

Core readings: [Mathematical methods for economic theory: Contents (utoronto.ca)](utoronto.ca)