

## Subject Areas

Please find a detailed description of each subject area in the module handbook.

### Subject Area: Econometrics and Applied Economics

#### Objectives:

- ✓ Expertize in analyzing and understanding complex economic issues using real world data.

#### Contents:

- ✓ Advanced econometric methods for the analysis of economic and financial data.
- ✓ Statistical analyses of estimation and inference for models relevant to microeconometrics, macroeconometrics, and financial econometrics.
- ✓ An understanding of opportunities and limitations when applying these tools to real world data.
- ✓ An understanding of empirical research in the fields of labour economics, public economics, and financial economics based on econometric methods.

#### Compulsory modules for majoring:

See table on page 3 or also: <http://www.wiwi.uni-konstanz.de/en/studies/msc-economics/the-programme/>

A major in this subject provides a solid foundation for advanced empirical research either towards a PhD or within non-university establishments, such as empirical research institutes, consulting firms, international institutions, ministries, and NGOs, etc.

### Subject Area: International Financial Economics

#### Objectives:

- ✓ Examination of key issues in international financial economics, with a focus on theoretical, institutional, policy, and empirical aspects.

#### Contents:

- ✓ Tools for analyzing and managing risks.
- ✓ Theoretical analysis of static and dynamic models of risk management.
- ✓ Different approaches for managing interest rate risks at the applied level.
- ✓ Portfolio management.
- ✓ The introduction of new concepts:
  - Minimal versus maximal market rationality,
  - Inferring market consensus probabilities from observed prices,
  - Equilibrium sharing rules,
  - Behavioral bias in human decision making.

#### Compulsory modules for majoring:

See table on page 3 or also: <http://www.wiwi.uni-konstanz.de/en/studies/msc-economics/the-programme/>

## **Subject Area: Macroeconomics and International Economics**

### Objectives:

- ✓ A comprehensive overview of macroeconomic modelling and its quantitative applications.

### Contents:

- Modelling of exchange rates and their policy implications in the area of international monetary economics.
- A focus on dynamic stochastic general equilibrium models.
- Application of these models to the study of traditional macroeconomic issues, such as economic growth, business cycles, consumption and asset prices, employment and unemployment, money and inflation, and international macroeconomics.
- From the benchmark neoclassical macroeconomic model, successive limiting assumptions are cancelled and extensions to several issues, such as heterogeneity, market incompleteness, and market frictions, are incorporated.

### Compulsory modules for majoring:

See table on page 3 or also: <http://www.wiwi.uni-konstanz.de/en/studies/msc-economics/the-programme/>

## **Subject Area: Microeconomics and Decision Making**

### Objectives:

- ✓ To familiarize students with the study of economic behavior deriving from individual behavior.
- ✓ To provide an understanding real world phenomena, such as bubbles in financial markets or involuntary unemployment.
- ✓ To provide both theoretical and empirical expertise in human economic decision making.  
To provide an in depth understanding of the major models in the field as well as the theoretical, empirical and experimental tools to apply, analyse and test such models.

### Contents:

- Models of human decision making, including: the standard model, which assumes rationality and selfishness, models of time inconsistent behavior, and non-standard models of risk preferences or models of social preferences.
- Analytical investigation of the implications of these models.
- Testing and enhancing the models through empirical, experimental studies.

### Compulsory modules for majoring:

See table on page 3 or also: <http://www.wiwi.uni-konstanz.de/en/studies/msc-economics/the-programme/>

This knowledge can be used, for instance, by companies in general and business consultancies in particular. The methodology provides a strong basis for graduates to undertake their own research in an academic career.

## **Subject Area: Public Economics**

### Objectives:

- ✓ Acquaint students with the advanced economic analyses of public sector activities.

Contents:

- Compulsory module on methods of normative public economics:
  - It deals with questions of optimal income and commodity taxation within a general equilibrium framework.
- Compulsory module on methods of positive public economics or political economy:
  - It is based on the behavioral postulate that political agents are rational utility maximizers and examines the consequences of this assumption for government activities, such as the provision of public and private goods, the regulation of markets, and macroeconomic stabilization policies.

Compulsory modules for majoring:

See table or also: <http://www.wiwi.uni-konstanz.de/en/studies/msc-economics/the-programme/>

**The compulsory modules for majoring in a subject area are as follows:**

<b>Subject Area</b>	<b>Compulsory Modules for Majoring</b>	<b>Term</b>
Econometrics and Applied Economics	<ul style="list-style-type: none"> <li>• Applied Time Series Analysis</li> <li>• Microeconometrics</li> </ul>	<ul style="list-style-type: none"> <li>• ST</li> <li>• ST</li> </ul>
International Financial Economics	<ul style="list-style-type: none"> <li>• International Finance</li> <li>• Portfolio Management</li> </ul>	<ul style="list-style-type: none"> <li>• WT</li> <li>• WT</li> </ul>
Macroeconomics and International Economics	<ul style="list-style-type: none"> <li>• Advanced Macroeconomics II</li> <li>• International Monetary Economics</li> </ul>	<ul style="list-style-type: none"> <li>• ST</li> <li>• ST</li> </ul>
Microeconomics and Decision Making	<ul style="list-style-type: none"> <li>• Advanced Microeconomics II</li> <li>• Behavioural Economics</li> </ul>	<ul style="list-style-type: none"> <li>• ST</li> <li>• WT</li> </ul>
Public Economics	<ul style="list-style-type: none"> <li>• Economics of Taxation</li> <li>• Political Economy</li> </ul>	<ul style="list-style-type: none"> <li>• ST</li> <li>• ST</li> </ul>