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- Peter Katuscak
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- Lubomír Lízal
- Laura Mentz
- Robin-Elieze Mercury
- Daniel München
- Jose Nogueras
- Sarah Peck
- Avner Shaked
- Richard Stock
- Lawrence Smith
- Viatcheslav Vinogradov
- Petr Zemčík
- Kresimir Zigic

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

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-EI 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-EI activities.

A. Contents and Organization of Graduate Study at CERGE-EI

Further details on the program can be found in the handbook for graduate students. The basic mission of CERGE-EI 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 Academic Writing. 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-EI 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-EI 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 enroll for a minimum of three, plus a course in Combined Skills. 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.

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

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**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 | 4/2, Exam
Academic Writing I, II | 4/0, Credit | 4/0, 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**
--- | --- | --- | ---
Econometrics III, IV | 4/2, Exam | 4/2, Exam | |
Transition and European Integration I, II | 4/2, Exam | 4/2, Exam | |
Financial Markets I, II | 4/2, Exam | 4/2, Exam | |
Industrial Organization I, II | 4/2, Exam | 4/2, Exam | |
Public Economics I, II | 4/2, Exam | 4/2, Exam | |
Labor Economics I, II | 4/2, Exam | 4/2, Exam | |
Combined Skills I, II | 4/0, Credit | 4/0, Credit | |
Advanced Macroeconomics I, II | 4/0, Exam | 4/0, Exam | |
International Macroeconomics I, II | 4/2, Exam | 4/2, Exam | |
Seminar Course | 0/2, Credit | 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-EI, 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. Topic courses are one semester courses not forming two semester sequence and do not cover comprehensively all material needed for Field General Exam.
II. Syllabi of the Fall Semester Courses

Reading Lists for the Fall Semester are available at www.cerge-ei.cz/reading. 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 I

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<th>Lecturer</th>
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<th>Teaching Assistant</th>
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<tr>
<td>Office</td>
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This is the first course of the first-year macro sequence. The first half will be taught by Jeong, the second half by Radim Bohacek.

First Half
We will study the dynamic macro theory. The main reference will be: Chapters 1 and 2, Stokey and Lucas (1989), "Recursive Methods in Economic Dynamics."

This will be complemented by some exercises and papers on the issues of Business Cycle and Unemployment. The additional material will be announced as we go along.
The grade is based on the midterm exam (two-third) and occasional home problems (one-third).

Second Half
We will study optimal fiscal and monetary government policies in general equilibrium and models with asymmetric information. In order to better understand the models, we will also use computer simulations in Matlab. There will be two lectures per week. Problem sets will be discussed during TA sessions. The grade distribution will be based on problem sets (1/3) and final (2/3). Policies related to student conduct will be strictly enforced.

Topics

Textbooks
Reading List

MICROECONOMICS I

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<tr>
<td>Office</td>
<td>Peter Katsušcák</td>
<td>Libor Dušek</td>
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Course information
This course is the first course in the core microeconomics sequence. It introduces the basic concepts of consumer and producer theory, and decision theory under uncertainty.

The methodology of economics
Positive vs. normative economics. “Axioms” of economics. Usefulness of economic approach to studying a wide range of social issues.

Consumer theory
Walras law. Weak axiom of revealed preference.
Theory of the allocation of time and preference formation
Producer theory
Production sets, production functions
Constant returns to scale technology. Substitution and scale effects.
Equilibrium
The concept of equilibrium. Price as a transmitter of information.
Egeworth box, contract curves, and bargaining.
Spatial equilibria with homogenous and heterogenous agents, hedonic models, quality selection
Non-competitive market structures
Monopoly. Price discrimination.
Strategic interaction between firms. Reaction functions.
Bertrand and Cournot competition.
Investments
Investment decisions of firms
Market for durable goods and determination of rental vs. purchase prices.
Investment in human capital

Requirements and grading
Problem Sets: 20%
Midterm: 30%
Final: 50%

Main readings
Murphy, Kevin M: Lecture notes for graduate microeconomics (great for intuition; available in the printed version in the library).

Useful references

Articles
1) * Friedman, Milton: The methodology of positive economics, in Friedman, M.: Essays in positive economics. U of C Press 1966. (The classical statement of positivist methodology in economics. It’s a normative article, though, on how economics should be done.)
McCloskey, Donald: The Rhetoric of Economics, Journal of Economic Literature 1983. (“post-modernist” view of method, positive article in the sense of focusing more on how economics is done in practice).


Gruber, Jonathan and Botond Koszegi: *A theory of government regulation of addictive bads*, NBER working paper 8777. (when preferences are time-inconsistent, the model of addictive behavior gives radically different predictions)


Friedman and Stigler: *Roofs or Ceilings?* Foundation for Economic Education 1946. (Downloadable from http://mason.gmu.edu/~kbrancat/Papers/roofs_orceilings.pdf)


The Economist: *House of cards (Survey on Property)*, May 29th 2003. (practical application for the model of prices of investment goods).


* denotes required reading
The goal of this course is to give students a deep understanding of the statistical theory and practice and to build up a background for econometric analysis. The emphasis of this course is on the principles of probability theory and statistical inference. Aside from theoretical studies, students will make regular use of computers to explore a variety of useful applications.

Course outline
- axiomatic theory of probability:
  - sample space, sigma-algebra, probability, probability space, conditional probability and independence, law of total probability, Bayes’ theorem;
- random variables:
  - probability distributions, density functions, characteristics of random variables, moment generating functions, Chebyshev’s inequality, Jensen’s inequality, some classical discrete and continuous distributions;
- systems of random variables:
  - joint distributions, independence, marginal and conditional distributions, expectations, covariance, correlation, Cauchy-Schwarz inequality, bivariate normal distribution;
- functions of random variables, the distribution of transformations of random variables;
- central limit theorems, modes of convergence of random variables;
- elements of stochastic processes, Markov chains and stochastic calculus (if time allows);
- statistical inference:
  - sampling asymptotic theory, sampling, sampling distributions, sample moments, laws of large numbers, chi-square distribution, F-distribution, t-distribution, point and interval estimators, method of moments, likelihood functions, properties of estimators, minimum variance unbiased estimation, Cramer-Rao theorem, hypothesis testing, confidence regions, types of error, nonparametric tests, Bayesian inference;
- introduction to linear regression models.

Requirements and grading
Problem Sets and Written Assignments (20%), Midterm Exam (30%), Final Exam (50%).

Readings
Principal textbook:

Other Useful References:
### Course information

The purpose of the course is to begin to prepare students to succeed in the Ph.D. program independently, and to successfully begin Academic Writing 2. This course is based on the first four chapters of the textbook. In addition to this material, there may be other readings and assignments provided by the instructor. The course instructor will provide a more detailed course outline.

### Evaluation

Students are evaluated according to their mastery of academic English as well as performance on course assignments. Class participation and attendance may also influence the course grade.

### Readings

Giltrow, Janet. *Academic Writing: Writing and Reading Across the Disciplines, 2nd ed.*
B. Second year students

ECONOMETRICS III

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Course information
This course is a part of the sequence in econometrics. The course will focus mainly on the models that use time series and will review current state of theory and empirical work. The course is an applied econometrics course in nature and therefore it will stress application of the topics into applied research. The course will cover topics listed in the course outline below.

Course outline
Univariate Time Series
Unit Roots and Fractional Integration
Trend Breaks and Structural Change
Multiple Time Series
Cointegration
Unit Roots and Cointegration with Panel Data
Heteroskedasticity
Nonlinear Structure

Requirements and grading
The grade for this applied course will be based on the exam and 5-6 assignments that will require to perform econometric and economic analysis. Evaluation will be proportional.

Readings
The text for the course is
Walter Enders: Applied Econometric Time Series (Wiley, 1995) and

Most of the course content will be based on journal papers. A detailed list of required/recommended papers will be distributed in the class.
Brock, W., Dechert, W., Scheinkman, J., and LeBaron, B., 1996, A Test for Independence Based on the Correlation Dimension, Econometric Reviews, 15, 197-235

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Course Information
Duration
The course is a standard two-semester course, two 90 minutes classes per week plus one exercise session/student seminar presentation.

Contents
Review of theoretical and empirical studies focused on economics of transition. The syllabus covers both semesters.

Preliminary Requirements
Microeconomics, Basic Econometrics, Basic Macroeconomics

Recommended
Complementary courses: Industrial Organization, Econometrics

Requirements
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 a relevant paper from the field or literature survey.

Grading
Grading will be based on exams, in-class and seminar paper.
* denotes required reading

Models of Planned Economies - Classical Literature
a) Literature of a standard view of elementary theory of planning, pre-requisite readings
b) Producer in Planned Environment

(iii) Labor managed firm

(iii) Structure of the firm


(iv) Preprivatization Behavior, Privatization and Restructuring


(v) Privatization: Practical Issues


(vi) Side Effects of Privatization: Privatization and Public Sector
*Witztum, Amos: Privatization, distribution and economic efficiency in transition. in Estrin: Privatization in Central and Eastern Europe, pp.92-123.

(vii) Entrepreneurs and New Firms
*Pissarides, Francesca, Miroslav Singer and Jan Svejnar, Objectives and Constraints of Entrepreneurs: Evidence from Small and Medium Size Enterprises in Russia and Bulgaria, The William Davidson Working

(viii) Firms and the Banking Sector
Dittus, Peter (1994):Bank Reform and Behavior in Central Europe. JCE 19,335-361
*Tirole, Jean (1995): Western Prudential Regulation: Assessment and Reflections on its Application to Central and Eastern Europe. Economics of Transition

(ix) Principal Agent Problems in (Post) Transformation Economies
(x) Investment Behavior and Soft Budget Constraints

(xi) Foreign Direct Investment
Bevan, A., Estrin S., H. Grabbe,” and The impact of EU accession prospects on FDI inflows to central and eastern Europe”, E S R C “ One Europe or Several? “ Programme, 2001
http://www.one-europe.ac.uk/pdf/p6bevan.pdf

(xii) Monopoly Regulation and Welfare, Corruption

(xiii) Plan versus Market: Theoretical Discussions

(xiv) *International Trade in Transition*


(xv) *Mundell-Fleming model: A Simple Open-Economy Macroeconomics in Transition*


(xvi) *Macroeconomic Stabilization In Transition Economies*


(xvii) *Exchange Rate Regimes and Balassa- Samuelson effect in the CEE countries*


Égert, Balász (2004): “Assessing equilibrium exchange rates in central and eastern Europe Accessing countries: can we have FEER with BEER without FEER?” forthcoming in Focus on Transition, Austrian National Bank, 1/2004 (www.oenb.at)


European Central Bank (2003): Policy position of the Governing Council of the European Central Bank on exchange rate issues relating to the accession countries@www.ecb.int


(xviii) *European monetary integration: research agenda and policy challenges for central Europe*


*Mihaljek, Dubravko, Are the Maastricht criteria appropriate for Central and Eastern Europe?@ draft, BIS, www.wmin.ac.uk/csem
Useful Books for the Sequence:
Mario I. Blejer and Marko Skreb, editors: Macroeconomic Stabilization In Transition Economies, Cambridge University Pres, 1997
Olivier Blanchard, The Economics of Post-Communist Transition,

FINANCIAL MARKETS I

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<td>Jose Noguera</td>
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General
This will be a course in corporate finance and financial intermediation. The material presented is carefully selected with an eye to what is essential to understanding the underlying theory, ensuring that this text will remain useful for years to come. The course is divided into two parts. The first part introduces the theory of capital structure and asymmetric information. The second part deals with financial intermediation.

Evaluation will consist in one exam (50%) and a term paper (50%). More details will be given in class.

References

PART I
Valuation
Amaro de Matos, Chapter 1.
Introduction to Capital Structure
Amaro de Matos, Chapter 2.
Optimal Capital Structure (Moral Hazard)
Amaro de Matos, Chapter 3.
Optimal Capital Structure (Adverse Selection)
Amaro de Matos, Chapter 3.
Dividend Policy
Amaro de Matos, Chapter 4

**PART II**
An Introduction to the Theory of Banking and Financial Intermediation
Freixas, X., and J-C Rochet, Chapter 1
Industrial Organization Approach to Banking
Freixas, X., and J-C Rochet, Chapter 3.
The Principal-Agent Problem
Freixas and Rochet, Chapters 2 and 4.


Credit Rationing

Freixas and Rochet, Chapter 5.


The Deposit Contract and Deposit Insurance

Freixas and Rochet, Chapter 7.


Managing Risk in the Banking Firm and Regulation of Banks

Freixas, X., and J-C Rochet, Chapters 8 and 9


### INDUSTRIAL ORGANIZATION I

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<tr>
<td>Avner Shaked</td>
<td>Kresimir Zigic</td>
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### Course Information

Industrial organization is about strategic interactions of firms within an industry. As such it inspired the study of game theory and in turn was helped by its development. Industrial organization was an unfailing source of interesting situations of interactions that game theory modelled and analysed.

The course will follow the books of J. Tirole, O. Shy.

**The main topics** covered by the course will be:

1.) Models of Bertrand, Cournot and Stackelberg Competition and Its Applications
2.) Vertical and Horizontal Product Differentiation
3.) Models of Advertising
4.) Barriers to Entry and Exit
5.) Economics of Innovation, Research and Development

**Requirements and grading**

The course will be accompanied by exercises sessions, midterm exam, final exam and student presentations. The students will be asked to prepare presentation of a relevant paper from the field or literature survey. The grading will be based on weighted average of midterm exam (35%), final exam (50%) and student presentations (15%).

**Reading List:**

a) Textbooks:
b) Articles:

### ADVANCED MACROECONOMICS THEORY I

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**Course information**

This course is the first part of the advanced macroeconomic theory sequence. In the first
year you learnt how to understand the basic theory and how to read papers. The goal of this course is to learn how to write papers in macroeconomic theory addressing important issues in real economies. We will study in great detail the essential theoretical topics and tools of modern macroeconomics and apply them to models and numerical simulation. We will focus on general equilibrium with heterogeneous agents, contract theory, asymmetric information models, capacity constraints, real effects of monetary policy in economies with frictions related to information, limited commitment and limited participation. Finally we will study institutions in politico-economic equilibria and credible government policies.

There will be two lectures per week on Tuesdays 3-4:30 p.m. and Thursdays 1:30-3 p.m. The grade will be based on problem sets (30%), a midterm (30%) and a final exam (40%). The policies related to student conduct will be strictly enforced.

From the reading list below we will cover only the most relevant and important papers for each topic. Stokey, Lucas, and Prescott (1989) is the main textbook for this course.

**Topics**

**Asymmetric Information and Optimal Contracts**  

**Credible government policies**  

**Capacity constraints and politico-economic equilibrium**  


**Real effects of monetary policy**  

**Textbooks**


Reading List


In this course we will study how government policies affect behavior and allocation of resources. Governments impose taxes and various regulations, create laws, redistribute subsidies. Who gains and who loses from these policies? How do people adjust their behavior in response? Do these policies improve efficiency? We will develop tools to answer such questions, both theoretically and empirically. The approach will be positive in the sense that we will not ask what the governments should do, but rather ask what the governments actually do and what the consequences are.

**Course outline**

What governments do  
Taxes and labor supply  
Tax incidence  
Tax evasion and avoidance  
Deadweight cost of the income tax and elasticity of taxable income  
Public pensions: introduction  
Public pensions: effects on labor supply and savings  
Pension reform and risks  
Economic regulation  
Social regulation and value of life  
Coase theorem  
Property law and land use  
Tort (liability) law  
Criminal law

**Requirements**

There will be a midterm and a final. Plus, you will be asked to write a short paper. You should pick a particular policy (tax reform, regulation, subsidy program etc.) in your home country (or elsewhere) and attempt to empirically evaluate the effects of that policy. The paper should outline the basic economic theory and previous empirical literature, what source of identifying variation you would use, specify what data could be collected, and what you would do with it. You might use the paper (due two weeks after the end of the course) as the basis for your dissertation proposal.

**Readings**

There is no comprehensive textbook for this course, the material is mostly based on original papers. Useful references are  

**Other readings**

**What governments do**  
The Economist: *Future of the state* (survey), September 18, 1997.

**Taxes and labor supply**

Jha, chapter 8.  
HPE chapters 4, 34  
Prescott, Edward C: Why do Americans work so much more than Europeans? NBER working paper 10316.

**Tax incidence**

Jha, chapters 11, 12
HPE chapter 26


Anderson, Patricia M. and Bruce D. Meyer: Using a Natural Experiment to Estimate the Effects of the Unemployment Insurance Payroll Tax on Wages, Employment, Claims, and Denials, NBER working paper 6808.


**Tax avoidance and tax evasion**

HPE chapter 22


Hanousek, Jan and Filip Palda: The Evolution of Tax Evasion in the Czech Republic: A Markov Chain Analysis, CERGE-EI discussion paper 86.

**Deadweight cost of the income tax and elasticity of taxable income**


**Public pensions: introduction**

HPE chapter 33.


**Public pensions: effects on labor supply and savings**


Jha, chapter 7.


Gustman, Alan and Thomas L. Steinmeier: Effects of Pensions on Saving: Analysis with Data from the Health and Retirement Study, NBER working paper 6681.

**Pension reform and financial risks**


**Economic regulation (prices, quantities and entry)**


**Social regulation and value of life**


**Coase theorem**


**Property law and land use**

HPE chapter 25


**Tort (liability) law**

HPE chapter 25


**Criminal law**

HPE chapter 25


Lin, Ming-Jen: Does Democracy Increase Crime? Evidence from International Data, working paper, National Taiwan University, 2003.

LABOR ECONOMICS I

<table>
<thead>
<tr>
<th>Lecturer</th>
<th>Teaching Assistant</th>
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<tbody>
<tr>
<td>Name</td>
<td>Daniel Munich</td>
</tr>
<tr>
<td>Office</td>
<td>303</td>
</tr>
<tr>
<td>Phone</td>
<td>224 005 175</td>
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<tr>
<td>e-mail</td>
<td><a href="mailto:Daniel.munich@cerge-ei.cz">Daniel.munich@cerge-ei.cz</a></td>
</tr>
<tr>
<td>Office hours</td>
<td>Tba</td>
</tr>
</tbody>
</table>

Course information
This course is one-semester course in graduate labor economics. The course will focus on topics of static and dynamic labor supply and human capital. The course has three major goals i) to review present theoretical and empirical understanding of major labor market issues, ii) to provide a guidance for student's own empirical research, iii) to make students familiar with the labor market research resources, standards and approaches.

The course will put stress on the labor market theory, empirical evidence and will rely on use of standard and advanced econometrics tools. The necessary prerequisite for the course is understanding of the principles of microeconomic theory. Although the course can be taken without Econometrics I and II background, familiarity with econometrics and statistics would be an advantage.

Course outline
LABOR SUPPLY
Labor force participation, by gender, and age.
Static model of labor supply, non-linear price lines, overtime work, rationing, taxes and transfer schemes.
Home production, interpersonal transfers and earnings within families, the allocation of (non)market time.
Labor supply over the life-cycle: Theory and evidence.
Aggregate models of labor supply
Labor supply over the business cycle.
Labor force participation, taxes and selection bias.
Further evidence and estimation.

HUMAN CAPITAL
Basic models, the investment in schooling, on the job training, alternative interpretations.
Further evidence on the on-the-job training and tenure.
Estimating returns to human capital.
Fundamentals of gender wage differences, income distribution growth, specific human capital and labor.
Turnover, migration, compensating wage differentials, the supply of effort.
Schooling and education: demand, supply, and quality.

LABOR DEMAND
Basic theoretical and analytical framework
LABOR MARKET EQUILIBRIUM
Seminal theoretical papers

Requirements and grading
Grades will be based on student's performance in exam (40%), ~2 empirical assignments (35%), a term-paper or a presentation critically reviewing selected area of research (25%). The aim of the empirical assignments is make students familiar with standards of empirical economic analysis and data management practices using statistical packages. The term-paper should be a ~5 pages long critical review of a research area.

Necessary information will be available at the CERGE-EI website http://home.cerge.cuni.cz/munich/Classes.html. Exercise session will be scheduled irregularly and will be announced on Monday for given week.

Readings

INTERNATIONAL MACROECONOMICS I

<table>
<thead>
<tr>
<th>Lecturer</th>
<th>Teaching Assistant</th>
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<tbody>
<tr>
<td>Name</td>
<td>Jose Noguera</td>
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<tr>
<td>Office</td>
<td>307</td>
</tr>
<tr>
<td>Phone</td>
<td>224 005 107</td>
</tr>
<tr>
<td>e-mail</td>
<td><a href="mailto:Jose.noguera@cerge-ei.cz">Jose.noguera@cerge-ei.cz</a></td>
</tr>
<tr>
<td>Office hours</td>
<td>Tba</td>
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</table>

COURSE DESCRIPTION
This is a second year Ph.D. course in International Macroeconomics and will cover a number of topics like money and inflation, the current account, real exchange rates, rigidities in the open economy, stabilization policies and currency crises. Students are expected to create individualized reading lists that go beyond the basic readings.

EVALUATION
Students are to take an exam (40%) and write a term paper (60%). The students are to choose their topic but no survey papers will be allowed.

TEXTBOOK
There is no textbook although some lectures will follow closely Obstfeld and Rogoff (1996), ““Foundations of International Macroeconomics,” The MIT Press.

Some useful books are Carl Walsh (2003), Monetary Theory, and Woodford, Michael (2003), “Interest and Prices.”

In the reading list below, the starred (**) readings are mandatory. All other are suggested.

Some Monetary History


Intertemporal Model and the Current Account
Walsh (2003), chapter 2 and 3.
The Real Exchange Rate
Alan Taylor and Mark Taylor, “The Purchasing Power Parity Debate” mimeo UC Davis, November 2003
4. A Framework for Analyzing Monetary Policy
Walsh (2003), chapter 8
5. Monetary Policy Rules
6. Monetary Policy in the Euro-System
FED’s Monetary Strategy versus the ECR’s by Guillermo de la Dehesa, Chairman of the CEPR, Centre for Economic Policy Research. Chairman of the OBCE, Observatorio del Banco Central Europeo (Spanish ECB watcher)
7. New Classical Models, Monetary Policy and the transmission Mechanism
Corsetti, Giancarlo, and Paolo Pesenti (2002), ”International Dimensions of Optimal Monetary Policy,” NBER working paper 8230
Devereux, Michael B., and Charles Engel (2002), ”Exchange Rate Pass-Through, Exchange Rate Volatility, and Exchange-Rate Disconnect,” Journal of Monetary Economics 49, 913-940
Obstfeld-Rogoff chapters 9.2, 10-1, 10-2
8. New Keynesian Models, Monetary Policy and the transmission Mechanism

9. The Exchange Rate Regime

10. The Zero Bound, Liquidity Trap and Deflation in Open economies

11. Currency Crises: Some historical example
Bordo, M., B. Eichengreen, D. Klingel and M. Martinez-Peria (2000). “Is the Crisis Problem Growing More Severe?” working paper, University of California, Berkeley. Updated version of previous paper. http://socrates.berkeley.edu/~pifa/papers.html - this link also allows you to download the figures: scroll down the page until you reach the link to the paper and figures -see also http://www.haas.berkeley.edu/~arose/BEKSc.pdf

12. Currency Crises: Theory

**COMBINED SKILLS I**

<table>
<thead>
<tr>
<th>Lecturer</th>
<th>L. Smith</th>
<th>S. Peck</th>
<th>L. Mentz</th>
<th>R. Stock</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name</strong></td>
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<td>317</td>
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<td><strong>Phone</strong></td>
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<td>224 005 254</td>
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This is a one-year, two-semester course which builds on the critical reading and writing skills covered in the first year and which focuses on skills needed for current and future studies.

In the fall semester the focus will be on presentation skills and grant proposal writing. Presentation skills are valuable at this point because many students need to give presentations in the various economics courses. Also, students start giving more formal presentations at brown bag seminars or conferences and need to give a presentation of their dissertation proposal in their third year of study. Students will have the opportunity to deliver several presentations and receive feedback from the instructor and colleagues. Students will also have the opportunity to observe and critique various oral presentations during the semester. Grant proposal writing is included in the fall semester because students at this stage have the possibility of applying for a World Bank grant. Also, many students are at a stage where they are considering applying to other grant agencies for financing. Input sessions will be given on how write a grant proposal, which will help students to write a complete proposal as part of course requirements and to present the proposal as one of the oral presentation requirements.

**Oral presentations**

The purpose of this component is to prepare students for the oral presentations they will be expected to produce as Ph.D. candidates and as economists. The component will focus on developing and refining oral fluency and presentations skills (including pronunciation). Students will be required to give at least 3 presentations during the semester, which will be videotaped and analyzed in consultation with the instructor. As participants in the course, students are also required to give appropriate feedback to their colleagues.

**Input will be given on the following topics:**

- **Overview – Oral presentations**
Introductions and Conclusions
Use of Visuals
Answering questions

Grant proposal writing
The purpose of this class component is to prepare students to attain funding for current and future research activities. The input for this part of the course will cover all the basic steps to be taken to secure funding for economic research. Students will be required to write a research grant proposal, following the guidelines of a targeted organization. Evaluation of the proposal will be based on the selected organization’s criteria.

Input will be given on the following topics:

Seeking funding
General structure of proposals
Evaluation of past proposals
Guest speakers on grant seeking experiences

Semester assessment
Assessment will be based on the following assignments:
1. Position paper presentation 10%
2. Research paper presentation 30%
3. Grant proposal presentation 10%
4. Written grant proposal 30%
5. Other possible assignments, which may include: 10%
   - impromptu presentation
   - critique of lecture series presentations
   - critique of 3rd year dissertation proposal presentations

Semester attendance requirements
Both components are mandatory but three “unexcused” absences are permitted during the semester from a combination of input sessions, class meetings and consultations. If you exceed three, your grade will be affected and you could fail the course. In order to avoid being penalized for an absence, a student must notify and receive approval from the instructor beforehand; failing that, official documentation must be provided that excuses the absence.
III. CERGE Faculty Members Teaching in the Fall Semester 2004

Radim Bohácek

Libor Dušek

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.

Peter Katuscak

Evžen Kocenda
Lubomír Lízal

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.

Robin-Eliece Mercury
Graduated in 1995 from the Faculty of Education at McGill University, Montreal, Canada. Her degree is in Education in Second Languages specializing in academic writing and rhetoric. Most recently, she has taught in Vancouver, Canada at Capilano College in its Intensive ESL Programme. However, most of Ms. Mercury’s academic teaching experience was garnered in the Far East where she taught academic writing and critical thinking at International Christian University, Tokyo (April 1999-March 2001) and academic writing and communications at Kanda University of International Studies, Chiba, Japan (April 1995-March 1999). Her professional areas of interest include critical thinking: from theory to practice and the learning effects of sustained content teaching.

Daniel Münich
Received a Ing. degree in 1990 in Electrical Engineering, Electric Propulsion and Control from Czech Technical University (Ceske vysoke uceni technicke) in Prague, Faculty of Electrical Engineering. Received a Ph.D. degree in economics in 1998 from the Center for Economic Research and Graduate Education, Charles University (CERGE) in Prague. Currently an assistant professor at CERGE and since summer 1999 Director of Graduate Studies. Researcher at Economic Institute (EI). Research Fellow of the William Davidson Institute at the University of Michigan Business School and Research Affiliate of CEPR, London. 1997-98 visiting scholar at the William Davidson Institute at the University of Michigan. 1993-96 a researcher at EI. 1997-98 advisor to the Minister of Education, Youth and Sport and the Minister of Finance of the Czech Republic. Chief editor of Svobodne rozhledy journal. Member of the Czech and European Economic Associations and of European Association of Labour Economists. Research interests in the area of empirical labor market and education. Consultant to the Worldbank, European Commission and Institute for Information in Education (UIV).

Jose Noguera

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.
Avner Shaked

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. Currently he is studying to receive an M.A. (expected in 2004) in the Teaching of English as a Foreign Language from the University of Reading.

Lawrence Smith
Received a MA in Teaching English as a Foreign Language from the University of Reading, England. Testing advisor, ESP tutor and curriculum coordinator at Bilkent University, Ankara, Turkey (1990-1996); Academic Writing instructor at Moscow State University (1997); Academic English coordinator at the International College of Economics and Finance in Moscow between 1997 and 2000. Before working at CERGE-EI, he was Academic Writing Instructor at Central European University in Budapest.

Viatcheslav Vinogradov

Petr Zemčík

Kresimir Zigic
IV. Academic Calendar 2004-2005

<table>
<thead>
<tr>
<th>Month</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
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<tr>
<td>Week</td>
<td>6-10</td>
<td>15-17</td>
<td>20-24</td>
<td>27-1</td>
<td>4-8</td>
<td>11-15</td>
<td>18-22</td>
<td>25-29</td>
<td>3-7</td>
<td>10-14</td>
<td>17-21</td>
<td>24-28</td>
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<table>
<thead>
<tr>
<th>First year students</th>
<th>Fall semester</th>
<th>Christmas holidays</th>
<th>Spring semester</th>
<th>Summer semester</th>
<th>holi days</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
<td>M</td>
<td>F</td>
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<table>
<thead>
<tr>
<th>Second year students</th>
<th>Fall semester</th>
<th>Christmas holidays</th>
<th>Spring semester</th>
<th>Research Methodology Seminar</th>
<th>holi days</th>
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<tbody>
<tr>
<td>A/D</td>
<td></td>
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<td>A/D</td>
<td>U</td>
<td>G</td>
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<table>
<thead>
<tr>
<th>Third and Fourth year students</th>
<th>Research seminar series</th>
<th>Christmas holidays</th>
<th>Research seminar series</th>
<th>holi days</th>
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</table>

A/D  Add/drop period
G    General-exams weeks
F    Final-exams week
M    Midterm-exams week
U    Make-up General-exams weeks
•    National holidays
## V. Schedules for the Fall Semester 2004

The schedules are subject to change. Most recent versions are at [http://www.cerge-ei.cz/internal/study/](http://www.cerge-ei.cz/internal/study/)

### A. First year students

<table>
<thead>
<tr>
<th></th>
<th>MONDAY</th>
<th>TUESDAY</th>
<th>WEDNESDAY</th>
<th>THURSDAY</th>
<th>FRIDAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>08:30 – 10:00</td>
<td>Academic Writing I</td>
<td>Academic Writing I</td>
<td>Academic Writing I</td>
<td>Macroeconomics I Exercises</td>
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</tr>
<tr>
<td></td>
<td>Peck</td>
<td>Peck</td>
<td>Peck</td>
<td># 10</td>
<td>#320</td>
</tr>
<tr>
<td>10:00 – 10:45</td>
<td>Coffee Break</td>
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</tr>
<tr>
<td>10:45 – 12:15</td>
<td>Microeconomics I Dušek/Katuscak #320</td>
<td>Statistics Vinogradov # 7</td>
<td>Statistics Vinogradov # 7</td>
<td>Microeconomics I Dušek/Katuscak #320</td>
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</tr>
<tr>
<td>12:15 – 13:30</td>
<td>Lunch Break</td>
<td></td>
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<tr>
<td>13:30 – 15:00</td>
<td>Academic Writing I Mentz/Mercury #313/#314</td>
<td>Macroeconomics I Bohacek/Jeong #320</td>
<td>Academic Writing I Mentz/Mercury #313/#314</td>
<td>Statistics Exercises # 7</td>
<td></td>
</tr>
<tr>
<td>15:00 – 16:30</td>
<td>Academic Writing I Mercury #314</td>
<td>Academic Writing I Mercury #314</td>
<td>Macroeconomics I Bohacek/Jeong #320</td>
<td></td>
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</tr>
<tr>
<td>16:30 – 18:00</td>
<td>Research Seminar #6</td>
<td>Microeconomics I Exercises #320</td>
<td>Statistics Exercises #320</td>
<td>Research Seminar #6</td>
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</tr>
</tbody>
</table>

#6
## B. Second year students

The schedules are subject to change. Most recent versions are at [http://www.cerge-ei.cz/internal/study/](http://www.cerge-ei.cz/internal/study/)

<table>
<thead>
<tr>
<th>Time</th>
<th>MONDAY</th>
<th>TUESDAY</th>
<th>WEDNESDAY</th>
<th>THURSDAY</th>
<th>FRIDAY</th>
</tr>
</thead>
</table>
| 08:30 - 10:00 | Financial Markets I  
Noguera  
#320 | Exercises  
Industrial Organization  
Int. Macroeconomics  
#320 / #314 | Exercises  
Adv. Macroeconomics  
Transition  
#313 / #314 | Public Economics  
Dusek  
#320 | Com. Skills  
Peck  
#11 |
| 10:00 - 10:30 | Coffee Break | | | | |
| 10:30 - 12:00 | Com. Skills  
Mentz / Smith  
#10 / #11 | Econometrics III  
Kocenda  
#320 | Int. Macro / Com. Skills  
Noguera / Peck  
#313 / #10 | Econometrics III  
Kocenda  
#7 | Exercises  
Econometrics III  
Fin. Markets  
#320 / #314 |
| 12:00 - 13:30 | Lunch Break | | | | |
| 13:30 - 15:00 | Ind. Organization I  
Shaked/Zigic  
#320 | Transition  
Lizal / Zicig  
#313 | Int. Macro / Noguera / #9  
Ind. Organization I  
Shaked/Zigic  
#320 | Adv. Macro / Com. Skills  
Bohacek / Stock  
#313 / #10 | Financial Markets I  
Noguera  
#320 |
| 15:00 - 16:30 | Public Economics  
Dusek  
#313 | Adv. Macro / Com. Skills  
Bohacek / Stock  
#313 / #10 | Com. Skills  
Mentz / Smith  
#10 / #11 | Transition  
Lizal / Zicig  
#313 | |
| 16:30 - 18:00 | Research Seminar  
#6 | Public Economics  
Exercises  
#313 | | Research Seminar  
#6 | |

39
Notes:
Notes: