ECONOMICS

Director of undergraduate studies: Samuel Kortum, Rm. 305, 28 Hillhouse Ave., 432-6217 or 432-3574, qazi.azam@yale.edu; economics.yale.edu/undergraduate-program

FACULTY OF THE DEPARTMENT OF ECONOMICS


Associate Professors  Costas Arkolakis, Eduardo Faingold, Amanda Kowalski, Nancy Qian

Assistant Professors  Timothy Armstrong, Jose-Antonio Espin-Sanchez, Mitsuru Igami, Daniel Keniston, Ilse Lindenlaub, Michael Peters, Nicholas Ryan, Joseph Shapiro, Eric Weese

Senior Lecturers  Cheryl Doss, Tolga Koker, Douglas McKee

Lecturers  Irasema Alonso, Michael Boozer, Katerina Simons

Economics concerns the wealth of nations, its origins in production and exchange, its allocation among competing uses, its distribution among individuals, and its accumulation or decline. Economics at Yale is regarded and taught as part of a liberal education, not as a preparation for any particular vocation. Nonetheless, economics provides an especially relevant background for a number of professions.

Requirements of the major  Students majoring in Economics are required to take twelve term courses. Two of these may be introductory economics courses, one in microeconomics and one in macroeconomics. All majors must take the following courses: one term of intermediate microeconomics (ECON 121 or 125); one term of intermediate macroeconomics (ECON 122 or 126); one term of econometrics (ECON 131, 132, or 136); and one Yale mathematics course, usually selected from MATH 112, 115, 118, or 120. Students who place out of these mathematics courses must take a higher-level mathematics course at Yale and should consult the director of undergraduate studies in Economics. All of these required courses should be completed prior to the senior year. Majors must also take two courses numbered ECON 400–491, at least one of which must be taken in the senior year.

Subject to approval by the director of undergraduate studies, students may count toward the major one course related to economics but taught in another field, in addition to the required course in mathematics.

Students who take a term abroad or take summer courses not at Yale may petition the director of undergraduate studies to count at most two courses from outside Yale toward the requirements of the major. Students who take a year abroad may petition to count at most three courses. Many economics courses taken outside Yale do not meet the requirements of the Economics major; students should consult with the director of undergraduate studies before taking such courses. Courses taken outside Yale may not be counted toward the major requirements in intermediate microeconomics, intermediate macroeconomics, or econometrics.

Courses taken Credit/D/Fail and residential college seminars may not be counted toward the requirements of the major.

Introductory courses  Introductory courses serve students considering a major in Economics as well as others who seek an introduction to the subject. Most students enroll in ECON 115 and 116, lecture courses with a discussion section. ECON 115 is concerned with microeconomics and includes such topics as markets, prices, production, distribution, and the allocation of resources. ECON 116 covers such macroeconomic issues as unemployment, inflation, growth, and international economics; it has a microeconomics prerequisite.

ECON 110 and 111 are limited-enrollment alternatives to ECON 115 and 116; they are open only to freshmen selected from those who preregister. ECON 108 also covers microeconomics, but with a greater emphasis on quantitative methods and examples. It is intended for, but not restricted to, freshmen with little or no experience with calculus. Enrollment is limited, and preregistration is required. ECON 108, 110, and 115 are similar in substance, and ECON 111 and 116 are similar in substance as well. A student may receive credit for only one course each in introductory microeconomics and introductory macroeconomics.

The department recommends that students interested in majoring in Economics take introductory economics in the freshman year. In order to make the introductory courses available to all freshmen and to students majoring in other subjects, the introductory courses do not have a mathematics requirement.

Placement and exemptions for introductory courses  Students with a score of 5 on the Advanced Placement tests for microeconomics and macroeconomics and a score of 5 on the Advanced Placement Calculus BC test may petition the director of undergraduate studies to place out of introductory microeconomics and introductory macroeconomics and enroll directly in intermediate microeconomics. It is recommended that students with a score of 5 on the Advanced Placement economics tests but without a 5 on the Calculus BC test take a Yale mathematics course such as MATH 115 or 120 and then petition the director of undergraduate studies to place out of introductory microeconomics and take intermediate microeconomics in the following term. Students with high scores on examinations equivalent to Advanced Placement, such as the GCE A-level or Higher Level International Baccalaureate, may also petition to be exempted from the
 introductory courses. For other placement and exemption questions, consult the departmental Web site (http://economics.yale.edu/undergraduate-program).

Mathematics  Students are advised to meet the mathematics requirement for the major during their freshman year. The department also recommends that majors either complete MATH 118 or complete two term courses including MATH 120 and either 222 or 225. The latter two-term sequence is preferable for students who wish to take further mathematics courses or who plan to pursue a graduate degree in economics.

Econometrics  Students are advised to take a two-term sequence of statistics and econometrics courses, especially if they are considering writing a senior essay. One option is to take ECON 131 followed by 132. Students with a stronger mathematics background or who plan to pursue a graduate degree in economics are encouraged to take either ECON 135 or STAT 241 and 242, followed by ECON 136. Prospective majors are urged to start their econometrics sequence in the fall of sophomore year.

Intermediate microeconomics and macroeconomics  Along with econometrics, intermediate microeconomics and macroeconomics form the core of the major. Two options are available in both microeconomics and macroeconomics. The standard intermediate courses are ECON 121 and 122. Students with a stronger mathematics background are encouraged to take ECON 125 and 126 instead. The intermediate courses need not be taken in sequence: in particular, ECON 125 is not required for 126.

Field courses  The department offers a wide selection of upper-level courses that explore in greater detail material presented in introductory courses. Advanced fields of economics include theoretical, quantitative, and mathematical economics; market organization; human resources; finance; international and development economics; public policy and the public sector; and economic history. Some advanced field courses have only introductory microeconomics as a prerequisite. Others apply intermediate-level theory or econometrics to economic problems and institutions, and for this reason list one or more of the theory or econometrics courses as prerequisites.

Advanced lecture courses  Advanced lecture courses, numbered ECON 400–439, are limited-enrollment courses that cover relatively advanced material in more depth than regular field courses. Prerequisites usually include two of intermediate microeconomics, intermediate macroeconomics, and econometrics or a mathematics course such as MATH 120. Advanced lecture courses may be applied toward the senior requirement. While these courses vary in approach, they share features of other Economics courses: like field courses, they devote some time to traditional lecturing, and like seminars, they emphasize class interaction, the writing of papers, and the reading of journal articles.

Seminars  Although there is diversity in approaches in the various seminars (courses numbered ECON 440–489), all have in common an emphasis on class interaction, the writing of papers, and the reading of journal articles. Seminars represent an opportunity for students to apply and extend the economics they have learned through their earlier course work.

Enrollment in seminars and advanced lecture courses is limited. Senior Economics majors who have not yet completed the senior requirement for the major are given priority for these courses and may preregister; see the departmental Web site (http://economics.yale.edu/undergraduate-program) for instructions. Students must take two of three core courses in intermediate microeconomics, intermediate macroeconomics, and econometrics before enrolling in a seminar. Underclassmen in the major and nonmajors may also enroll in Economics seminars and advanced lecture courses as space permits, but they do not preregister.

Senior requirement  Majors are required to take two departmental courses numbered ECON 400–491, at least one of which must be taken in the senior year. The senior requirement must be met by Yale Economics courses; courses in other departments or taken elsewhere do not suffice.

Senior essay  Only those majors who submit a senior essay are eligible for Distinction in the Major. There are three types of senior essay: (1) students may write a one-term essay in the fall of the senior year as an independent project on a topic of their own design under the close and regular supervision of a faculty adviser (ECON 491); (2) students may write a two-term essay starting in the fall of the senior year as an independent project on a topic of their own design under the close and regular supervision of a faculty adviser (ECON 491 and 492); or (3) students may write a one-term essay in an advanced departmental course (numbered 400–489) taken during the fall term of the senior year, with the option of completing the essay in the spring of the senior year as an independent project under the close and regular supervision of a faculty adviser (ECON 492); under this option the instructor of the advanced departmental course taken in the fall term typically serves as the faculty adviser.

Note that the essay must be written during the senior year and that students may submit a senior essay only if they have an approved prospectus and a senior essay adviser. Senior essays that are not submitted on time will receive a grade of Incomplete. Senior essays with grades of Incomplete without permission of the residential college dean are subject to grade penalties when submitted.

Meetings for seniors to discuss the senior essay will be held on Wednesday, September 2, at 4:30 p.m. and Thursday, September 3, at 1:30 p.m. in Room 106, 28 Hillhouse Avenue. Details regarding calculations for Distinction in the Major will be discussed in these meetings, and senior essay guidelines will be distributed. Senior essay prospectus forms are due Monday, October 5, 2015.

Distinction in the Major  To be considered for Distinction, students must meet the appropriate grade standards as described in this bulletin under Honors (http://catalog.yale.edu/ycps/yale-college/honors) and submit a senior essay to the Economics department. Students who fail to submit an essay will not be considered for Distinction in the Major. Grade computation for Distinction does not include the introductory economics courses, the required mathematics course, or courses taken outside Yale.
Graduate courses  Well-qualified students who have acquired the requisite background in undergraduate courses may, with written permission of the instructor, the director of undergraduate studies, and the director of graduate studies, be admitted to graduate courses and seminars. Descriptions of courses are available in the Economics department office.

Students who are planning graduate work in economics should take additional mathematics courses beyond the one-term course required for the major. Many graduate programs in economics require courses in multivariate calculus and linear algebra. Students are urged to discuss their plans for graduate work with the director of undergraduate studies as early in their college careers as possible.

Faculty representatives  The Economics department has faculty representatives associated with each residential college. Students majoring in Economics should secure written approval of their course selection from one of their college representatives. Changes in their major program must be approved by a representative. Questions concerning the major or programs of study should be directed to a college representative. For 2015–2016 the college representatives are as follows:

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<th>College</th>
<th>Faculty Representatives</th>
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<tr>
<td>BK</td>
<td>T. Guinnane, E. Weese</td>
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<td>BR</td>
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<td>T. Bewley, J. Espin-Sanchez</td>
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REQUIREMENTS OF THE MAJOR

Prerequisites  None

Number of courses  12 term courses (incl senior req)

Distribution of courses  1 intro course in microeconomics, 1 in macroeconomics (or equivalents with DUS permission); 1 math course, as specified

Specific courses required  ECON 121 or 125; ECON 122 or 126; ECON 131, 132, or 136

Substitution permitted  1 related course in another dept, with DUS approval

Senior requirement  2 courses numbered ECON 400–491, at least 1 in senior year

Introductory Courses

* ECON 108a or b, Quantitative Foundations of Microeconomics  Staff
  Introductory microeconomics with a special emphasis on quantitative methods and examples. Intended for students with limited or no experience with calculus. Enrollment limited. Online preregistration is required; visit economics.yale.edu/undergraduate-program for more information. May not be taken after ECON 110 or 115. QR, SO

* ECON 110a, An Introduction to Microeconomic Analysis  Staff
  Similar to ECON 115, but taught as a lecture discussion with limited enrollment. Enrollment limited to freshmen. Online preregistration is required; visit: http://economics.yale.edu/undergraduate-program for more information. May not be taken after ECON 108 or 115. QR, SO

* ECON 111b, An Introduction to Macroeconomic Analysis  Staff
  Similar to ECON 116, but taught as a lecture discussion with limited enrollment. Enrollment limited to freshmen. Online preregistration is required; visit economics.yale.edu/undergraduate-program for more information. May not be taken after ECON 116. Prerequisite: ECON 108, 110, or 115. SO

ECON 115a or b, Introductory Microeconomics  Staff
  An introduction to the basic tools of microeconomics to provide a rigorous framework for understanding how individuals, firms, markets, and governments allocate scarce resources. The design and evaluation of public policy. May not be taken after ECON 108 or 110. QR, SO

ECON 116a or b, Introductory Macroeconomics  Staff
  An introduction that stresses how the macroeconomy works, including the determination of output, unemployment, inflation, interest rates, and exchange rates. Economic theory is applied to current events. May not be taken after ECON 111. Prerequisite: ECON 108, 110, or 115. SO

Intermediate Courses

ECON 121a or b, Intermediate Microeconomics  Staff
  The theory of resource allocation and its applications. Topics include the theory of choice, consumer and firm behavior, production, price determination in different market structures, welfare, and market failure. After introductory microeconomics and completion of the mathematics requirement for the major or its equivalent. Elementary techniques from multivariate calculus are introduced and applied, but prior knowledge is not assumed. May not be taken after ECON 125. QR, SO
ECON 122a or b, Intermediate Macroeconomics  Staff
Contemporary theories of employment, finance, money, business fluctuations, and economic growth. Their implications for monetary and fiscal policy. Emphasis on empirical studies, financial and monetary crises, and recent policies and problems. Enrollment limited in the fall term. After two terms of introductory economics and completion of the mathematics requirement for the major or its equivalent. May not be taken after ECON 126.  QR, SO

ECON 125a, Microeconomic Theory  Eduardo Faingold
Similar to ECON 121 but with a more intensive treatment of consumer and producer theory, and covering additional topics including choice under uncertainty, game theory, contracting under hidden actions or hidden information, externalities and public goods, and general equilibrium theory. Recommended for students considering graduate study in economics. After introductory economics, and MATH 118 or 120 or equivalent. May not be taken after ECON 121.  QR, SO

* ECON 126b, Macroeconomic Theory  Anthony Smith
Similar to ECON 122 but with a more intensive treatment of the mathematical foundations of macroeconomic modeling, and with rigorous study of additional topics. Recommended for students considering graduate study in economics. After two terms of introductory economics, and MATH 118 or 120 or equivalent. May not be taken after ECON 122.  QR, SO

Econometrics and Statistics Courses

ECON 131a or b, Econometrics and Data Analysis I  Staff
Basic probability theory and statistics, distribution theory, estimation and inference, bivariate regression, introduction to multivariate regression, introduction to statistical computing. After introductory microeconomics and MATH 112 or equivalent.  QR, SO

ECON 132a or b, Econometrics and Data Analysis II  Staff
Continuation of ECON 131, with a focus on multivariate regression. Topics include statistical inference, choice of functional form, heteroskedasticity, serial correlation, two–stage least squares, qualitative choice models, time series models, and forecasting. Emphasis on statistical computing and the mechanics of how to conduct and present empirical research. After two terms of introductory econometrics, completion of the mathematics requirement for the major, and ECON 131 or 135 or a course in the STAT 101–106 series.  QR, SO

ECON 135a, Introduction to Probability and Statistics  Timothy Armstrong
Foundations of mathematical statistics: probability theory, distribution theory, parameter estimation, hypothesis testing, regression, and computer programming. Recommended for students considering graduate study in economics. After introductory microeconomics and either (1) MATH 118; or (2) MATH 120 and either MATH 222 or MATH 225.  QR, SO

ECON 136b, Econometrics  Yuichi Kitamura
Continuation of ECON 135 with a focus on econometric theory and practice: problems that arise from the specification, estimation, and interpretation of models of economic behavior. Topics include classical regression and simultaneous equations models; panel data; and limited dependent variables. Recommended for students considering graduate study in economics. After ECON 135 or STAT 241 and 242.  QR, SO

Field Courses

ECON 159b, Game Theory  Barry Nalebuff
An introduction to game theory and strategic thinking. Ideas such as dominance, backward induction, Nash equilibrium, evolutionary stability, commitment, credibility, asymmetric information, adverse selection, and signaling are applied to games played in class and to examples drawn from economics, politics, the movies, and elsewhere. After introductory microeconomics. No prior knowledge of game theory assumed.  QR, SO

ECON 170a, Health Economics and Public Policy  Howard Forman
Application of economic principles to the study of the U.S. health care system. Emphasis on basic principles about the structure of the U.S. system, current problems, proposed solutions, and the context of health policy making and politics. After introductory microeconomics.  SO

ECON 182b / HIST 135b, American Economic History  Naomi Lamoreaux
The growth of the American economy since 1790, both as a unique historical record and as an illustration of factors in the process of economic development. The American experience viewed in the context of its European background and patterns of industrialization overseas. After introductory microeconomics.  WR, SO

ECON 184b / GLBL 234b, International Economics  Peter Schott
Introduction to conceptual tools useful for understanding the strategic choices made by countries, firms, and unions in a globalized world. After two terms of introductory economics.  SO

ECON 185a / GLBL 237a, Debates in Macroeconomics  Stephen Roach and Aleh Tsyvinski
Introduction to current theoretical and practical debates in macroeconomics. In–class debates between the instructors on topics such as economic crises, fiscal and monetary policy, inflation, debt, and financial regulations. Prerequisites: introductory microeconomics and macroeconomics.  SO
ECON 187a, European Economic History, 1815–1945  
Timothy Guinnane
European economic growth and development from the industrialization of Germany and other Continental countries in the early nineteenth century through World War II. The role of institutional development, the role of trade and imperialism, agricultural improvements, and industrialization. After two terms of introductory economics.  SO

ECON 225b, Financial Markets  
Robert Shiller
An overview of the ideas, methods, and institutions that permit human society to manage risks and foster enterprise. Description of practices today and analysis of prospects for the future. Introduction to risk management and behavioral finance principles to understand the functioning of securities, insurance, and banking industries. After two terms of introductory economics.  SO

ECON 225b, Introduction to Corporate Finance  
Jose-Antonio Espin-Sanchez
Introduction to the concepts and techniques necessary to analyze and implement optimal investment decisions. Prerequisite: introductory microeconomics and introductory macroeconomics.  SO

ECON 275b / PLSC 218b, Public Economics  
Ebonya Washington
The role of government in the economy and in our economic lives. Reasons for government intervention in the market economy and the impact of government expenditure programs and taxation systems on welfare and behavior. Tools of microeconomics applied to issues such as government response to global warming, the impact of redistribution and social insurance on individual behavior, school choice, social security vs. private retirement savings accounts, and government vs. private health insurance. After introductory microeconomics.  SO

ECON 325a, Economics of Developing Countries  
Nancy Qian
Analysis of current problems of developing countries. Emphasis on the role of economic theory in informing public policies to achieve improvements in poverty and inequality, and on empirical analysis to understand markets and responses to poverty. Topics include microfinance, education, health, agriculture, intrahousehold allocations, gender, and corruption. After introductory microeconomics and econometrics.  SO

ECON 327a, The Economics of Poverty Alleviation  
Staff
Measures that succeed and fail—and why—in the fight against poverty in developing countries. Fundamentals of behavioral economics and their application to policy and program design. When and how to use experimental methods to evaluate ideas and programs. Interventions and policies that apply to households, small firms, and communities, with particular attention to microfinance, health, and education. After introductory microeconomics and econometrics.  WR, SO

ECON 330b / EVST 340b, Economics of Natural Resources  
Staff
Microeconomic theory brought to bear on current issues in natural resource policy. Topics include regulation of pollution, hazardous waste management, depletion of the world’s forests and fisheries, wilderness and wildlife preservation, and energy planning. After introductory microeconomics.  QR, SO

* ECON 331a, The Economics of Energy and Climate Change  
William Nordhaus
The essentials of energy and environmental economics, with applications. Analysis of core topics in public goods, intertemporal choice, uncertainty, decision theory, and exhaustible resources. Applications include energy security, nuclear power, the relationship between nuclear power and nuclear proliferation, and climate change. Enrollment limited. Prerequisite: two terms of introductory economics.  SO

ECON 338a / EAST 338a / GLBL 318a, The Next China  
Stephen Roach
Economic development in China since the late 1970s. Emphasis on factors pushing China toward a transition from its modern export-and investment-led development model to a pro-consumption model. The possibility of a resulting identity crisis, underscored by China’s need to embrace political reform and by the West’s long-standing misperceptions of China. Prerequisite: introductory macroeconomics.  SO

ECON 339a, Advance Competition Economics and Policy  
Fiona Scott Morton
Limits that antitrust laws, as applied and interpreted by agencies, courts, and competitors, place on firm behavior. Economic theories underlying antitrust enforcement. Whether legal rules restricting competitive behavior increase social welfare and how they affect managerial choices. The evidence and reasoning advanced in key antitrust cases; how outcomes may affect social welfare and firm strategies. Goals and procedures of US and EU antitrust agencies.  SO

ECON 350a, Mathematical Economics: General Equilibrium Theory  
Truman Bewley
An introduction to general equilibrium theory and its extension to equilibria involving uncertainty and time. Discussion of the economic role of insurance and of intertemporal models, namely, the overlapping generations model and the optimal growth theory model. Recommended for students considering graduate study in economics. After MATH 118 or 120, and intermediate microeconomics.  QR, SO

ECON 351b, Mathematical Economics: Game Theory  
Johannes Horner
Introduction to game theory and choice under uncertainty. Analysis of the role of information and uncertainty for individual choice behavior, as well as application to the decision theory under uncertainty. Analysis of strategic interaction among economic agents, leading to the theory of auctions and mechanism design. Recommended for students considering graduate study in economics. After MATH 118, 120, and intermediate microeconomics.  QR, SO
* ECON 360a, Capital Markets  
Gary Gorton  
Topics related to capital markets, with emphasis on the financial crisis of 2007–2008. The design, pricing, and trading of corporate bonds, credit derivatives, and money market instruments; bond restructuring, bond ratings, and financial crises; basic tools used to address such issues, including fixed income mathematics, binomial option pricing, and swaps. Prerequisites: intermediate microeconomics and econometrics.

ECON 361a, Corporate Finance  
Heather Tookes  
Financial management from inside the corporation or operating entity. Topics include capital budgeting and valuation, optimal capital structure, initial public offerings, mergers, and corporate restructuring. Cases and problem sets provide applications. Prerequisites: intermediate microeconomics and econometrics.

* ECON 363a, Global Financial Crisis  
Andrew Metrick and Timothy Geithner  
Comprehensive survey of the causes, events, policy responses, and aftermath of the recent global financial crisis. Study of the dynamics of financial crises in a modern economy. Successful completion of a course in introductory economics.

SO ECON 371b, Financial Time Series Econometrics  
Staff  
Survey of methods used to analyze financial time series data. Classic linear models; autocorrelation in error variances; methods that allow for nonlinearities; methods tailored to analysis of high-frequency data and modeling of value at risk; vector autoregressive models; factor models; the Kalman filter. Prerequisites: ECON 131 and 132, or ECON 135 and 136.  
SO

ECON 374a, Applied Microeconometrics  
Edward Vytlacil  
Advanced study of econometric theory and applied econometrics, providing students opportunity and ability to conduct high-level empirical research, combining economics, econometrics, and data. Recommended for students planning to write or currently writing an empirical senior essay. Econ121 (Intermediate Micro), and either Econ 132 (Econometrics and Data Analysis II) or Econ 136 (Econometrics).  
SO

Advanced Lecture Courses
Senior Economics majors may preregister for advanced lecture courses; see the departmental Web site (http://economics.yale.edu/undergraduate-program) for instructions. Other interested students may enroll with permission of the instructor during the course selection period.

* ECON 407b / GLBL 310b, International Finance  
Konstantinos Arkolakis  
A study of how consumers and firms are affected by the globalization of the world economy. Topics include trade costs, the current account, exchange rate pass-through, international macroeconomic co-movement, multinational production, and gains from globalization. Prerequisite: intermediate macroeconomics or equivalent.  
SO

ECON 409b, Firms, Markets, and Competition  
Philip Haile  
Analysis of imperfectly competitive markets, focusing on the interactions among firm behavior, market structure, and market outcomes. Topics include oligopoly, collusion, predation, firm entry, advertising, and price discrimination as well as public policy implications of market behavior. After intermediate microeconomics or equivalent.  
QR, SO

* ECON 410b, The Economics of Innovation  
Mitsuru Igami  
Study of forces that drive the process of innovation. Creativity and creative destruction; the innovator’s dilemma; incentives to innovate; competitive advantage; industry evolution; intellectual property. Use of both formal theoretical models and quantitative empirical studies, as well as descriptive studies from management strategy and economic history. Prerequisites: econometrics and intermediate microeconomics.

* ECON 412a, International Environmental Economics  
Joseph Shapiro  
Introduction to international and environmental economics and to research that combines the two fields. Methods for designing and analyzing environmental policy when economic activity and pollution cross political borders. Effects of market openness on the environment and on environmental regulation; international economics and climate change. Prerequisites: intermediate microeconomics and econometrics.  
SO

* ECON 413b / AMTH 437b / EENG 437b, Optimization Techniques  
Sekhar Tatikonda  
Fundamental theory and algorithms of optimization, emphasizing convex optimization. The geometry of convex sets, basic convex analysis, the principle of optimality, duality. Numerical algorithms: steepest descent, Newton’s method, interior point methods, dynamic programming, unimodal search. Applications from engineering and the sciences. Prerequisites: MATH 120 and 222, or equivalents. May not be taken after AMTH 237.  
QR

ECON 414a, Economic Models of New Technology  
Evangelia Chalioti  
Analysis of firms’ incentives to innovate, focusing on the effects of market power on the intensity of innovative activity. Topics include strategic investment in innovation, patent races, the diffusion of knowledge, intellectual property (IP) protection systems, IP licensing, research joint ventures, litigation, venture capital, and conflicts between IP rights and antitrust regulation. Prerequisites: intermediate microeconomics and econometrics.  
SO
**ECON 415a, Political Economics**  Eric Weese
Introduction to the theory of political decision-making. Presentation of both classic results and more recently developed models. Topics include Arrow’s impossibility theorem, the median voter theorem, the potential for Condorcet cycles in more complicated policy spaces, lobbying, and the credibility of monetary policy. Prerequisites: intermediate microeconomics and econometrics. Recommended preparation: experience with game theory and multivariable calculus.  so

**ECON 416a, Labor Economics: Employment, Wages, and Skills**  Ilse Lindenlaub
Topics in labor economics from theoretical and empirical points of view. Models of supply and demand in a competitive market economy; changes in the allocation of workers to jobs, wage distribution, and wage inequality; reasons why the labor market may not be perfectly competitive; and what determines unemployment and the reallocation of workers after job loss. Prerequisites: intermediate microeconomics and econometrics.  so

**Seminars**
Senior Economics majors may preregister for departmental seminars; see the departmental Web site (http://economics.yale.edu/undergraduate-program) for instructions. Other interested students may enroll with permission of the instructor during the course selection period.

* **ECON 441a, Economics of Social Learning and Communication**  Mira Frick
A theoretical introduction to economic models of social learning and strategic information transmission, using tools from game theory and probability theory. The rationality of individual behavior as affected by pathologies such as herding, informational cascades, or strategic delays; the effectiveness of communication in settings in which an informed agent communicates information to a less informed agent. Prerequisites: intermediate microeconomics, a course in probability theory, and completion of the mathematics requirement for the Economics major.  so

* **ECON 445a, The U.S. Banking System**  Michael Pascutti
The special functions of banks in the U.S. economy. The benefits but fragile nature of the banking system. Prerequisites: intermediate macroeconomics, microeconomics, and econometrics.  so

* **ECON 450a, Investment Analysis**  Dean Takahashi
Examination of investment management in theory and practice. Discussion of asset allocation, investment strategy, and manager selection from the perspective of an institutional investor. Focus on the degree of market efficiency and opportunity for generating attractive returns.  so

* **ECON 452b / EP&E 300b / GLBL 302b, Contemporary Issues in Energy Policy**  Ioannis Kessides
Overview of challenges in the global energy framework generated by concerns about energy security and climate change; public policies necessary for addressing these issues. Potential contributions and limitations of existing, improved or transitional, and advanced technologies.  so

* **ECON 456a, Private Equity Investing**  Michael Schmertzler
A case-oriented study of principal issues and investment types found in substantial private equity portfolios. Discussion of enterprise valuation, value creation, business economics, negotiation, and legal structure, based on primary source materials and original cases. Prerequisites: intermediate microeconomics and econometrics.  so

* **ECON 457b / EP&E 221b, Economics, Politics, and History: Institutional Design and Institutional Change**  Jose-Antonio Espin-Sanchez
The efficiency and distributive consequences of institutions’ governing of human relationships. Efficiency concerns with the size of the "pie"; ways in which different institutions generate a bigger "pie" than others. Distribution concerns with who gets a bigger piece of the "pie." Why "bad" institutions persist over time; what can be done to change from bad/old institutions to good/new institutions. Prerequisites: intermediate micro- or macroeconomics, and a course in statistics and probability.  so

* **ECON 461b, Economics, Addiction, and Public Policy**  Jody Sindelar
Smoking, alcoholism, illicit drugs, and obesity studied from economic and policy perspectives. Focus on causes of and solutions to problems. After introductory microeconomics.  so

* **ECON 462b / EP&E 228b / GLBL 316b / LAST 410b, The Economics of Human Capital in Latin America**  Douglas McKee
Economic issues related to a population’s education, skills, and health; focus on contemporary Latin American societies. Determinants of health and education; evaluation of human capital development policies; the role of human capital in a variety of economic contexts, including the labor market, immigration, child investment, intrahousehold bargaining, inequality, and poverty. Prerequisites: intermediate microeconomics and econometrics.  so

* **ECON 464a / AFST 464a, The Economics of Africa**  Cheryl Doss
Study of key microeconomic issues facing African economies and of the economic tools used to analyze such issues. Topics include infrastructure, land, agriculture, conflict, intrahousehold issues, health and education, microfinance and risk, and coping strategies. Readings from recent literature in microeconomic development. Prerequisites: intermediate microeconomics and econometrics.  so
* ECON 465a / EP&E 224a / GLBL 330a, Debating Globalization  Ernesto Zedillo
Facets of contemporary economic globalization, including trade, investment, and migration. Challenges and threats of globalization: inclusion and inequality, emerging global players, global governance, climate change, and nuclear weapons proliferation. Prerequisite: background in international economics and data analysis. Preference to seniors majoring in Economics or EP&E.  SO  RP

* ECON 467b / GLBL 307b, Economic Evolution of the Latin American and Caribbean Countries  Ernesto Zedillo
Economic evolution and prospects of the Latin American and Caribbean (LAC) countries. Topics include the period from independence to the 1930s; import substitution and industrialization to the early 1980s; the debt crisis and the "lost decade"; reform and disappointment in the late 1980s and the 1990s; exploration of selected episodes in particular countries; and speculations about the future. Prerequisites: intermediate microeconomics and macroeconomics.  SO

* ECON 469a / EP&E 470a / GLBL 32a, Health Inequality and Development  Nicoli Nattrass
Economic analysis of the interactions between health, inequality, and development. Growth and development; health and well-being; burden of disease and funding for health; the relationship between growth and health; international health policy. Prerequisite: introductory microeconomics and macroeconomics.  SO

* ECON 471b / EP&E 297b, Topics in Cooperative Game Theory  Pradeep Dubey
The theory and applications of cooperative games. Topics include matching, bargaining, cost allocation, market games, voting games, and games on networks. Prerequisite: intermediate microeconomics.

* ECON 473b / EP&E 227b / PLSC 343b, Equality  John Roemer
Egalitarian theories of justice and their critics. Readings in philosophy are paired with analytic methods from economics. Topics include Rawlsian justice, utilitarianism, the veil of ignorance, Dworkin’s resource egalitarianism, Roemer’s equality of opportunity, Marxist exploitation, and Nozickian procedural justice. Some discussion of American economic inequality, Nordic social democracy, and the politics of inequality. Recommended preparation: intermediate microeconomics.  SO

* ECON 474b / EAST 454b / GLBL 312b, Economic and Policy Lessons from Japan  Stephen Roach
An evaluation of Japan’s protracted economic problems and of their potential implications for other economies, including the United States, Europe, and China. Currency pressures, policy blunders, Abenomics, bubbles, and the global economic crisis of 2008; dangers to the global economy from a protracted postcrisis recovery period. Focus on policy remedies to avert similar problems in other countries. Prerequisite: a course in macroeconomics.  SO

* ECON 475b / EP&E 286b, Discrimination in Law, Theory, and Practice  Gerald Jaynes
How law and economic theory define and conceptualize economic discrimination; whether economic models adequately describe behaviors of discriminators as documented in court cases and government hearings; the extent to which economic theory and econometric techniques aid our understanding of actual marketplace discrimination. Prerequisites: introductory microeconomics and at least one additional course in Economics, African American Studies, Ethnicity, Race, and Migration, or Women’s, Gender, and Sexuality Studies.

* ECON 481a / EP&E 298a, Empirical Microeconomics  Jessica Reyes
Introduction to empirical microeconomics and its methodologies. Academic research in the field explored using tools from economic theory and econometrics. Topics include approaches to identification, environmental effects on health, and the economics of crime, gender, and race. Prerequisites: intermediate microeconomics and econometrics.  SO

* ECON 482b / EP&E 482b, Political Economy: Separatism and Annexation  Eric Weese
Formal political-economy models of jurisdiction formation, with a focus on changes in national and subnational boundaries. Application of models to issues such as problematic colonial boundaries in Africa, the apparent success of very small countries, and the role of democracy in recent municipal amalgamations in Canada and Japan. Prerequisites: econometrics and intermediate micro- and macroeconomics.

* ECON 487a / AFST 360a / EP&E 367a / GLBL 313a / PLSC 471a, The Political Economy of AIDS in Africa  Nicoli Nattrass
The impact of and responses to the AIDS pandemic in Africa examined from a comparative perspective. Focus on South and southern Africa. Some background in social science and economics desirable.  SO

* ECON 489a, Auctions and Bidding  Olga Gorelkina
Introduction to the theory of auctions and competitive bidding. Auction formats and their relation to strategies used by bidders and sellers. Topics include the revenue equivalence theorem, optimal auctions, the winner’s curse, double auctions, auctions of multiple objects, and collusion. Prerequisite: intermediate microeconomics.

Senior Essay and Directed Reading Courses

* ECON 491a and ECON 492b, The Senior Essay  Samuel Kortum
Students deciding to write one-term senior essays by enrolling in ECON 491, or two-term senior essays by enrolling in ECON 491 and 492, must choose their topics and advisers by Monday, October 5, 2015. One-term senior essays are due at the end of the last week of classes in the fall term. Two-term senior essays are due by 4:30 p.m. on Wednesday, April 6, 2016. Students writing senior essays who would like to be considered for Distinction in the Major must submit three copies of their essay to the Economics department office by 4:30 p.m. on Monday, April 4, 2016. Advisers are chosen with the assistance of the director of undergraduate studies. The format and character of the departmental senior essay may vary to suit the interest of the student and the demands of the topic, but it is expected that
the tools and concepts of economic analysis will be employed and that the essay will contain original research. Paper lengths may vary; the
normal expectation is thirty pages. Students may receive up to two credits for the senior essay, though it counts as only one departmental
seminar whether one or two terms are taken. Meetings for seniors to discuss the senior essay will be held on Wednesday, September 2, at
4:30 p.m. and Thursday, September 3, at 1:30 p.m. in Room 106, 28 Hillhouse Avenue. Seniors planning to write either a one-term or a
two-term senior essay should attend one of these meetings. Details regarding calculation of Distinction will be discussed and senior essay
guidelines will be distributed.

* ECON 498a and ECON 499b, Directed Reading  Samuel Kortum
Students desiring a directed reading course in special topics in economics not covered in other graduate or undergraduate courses may
elect this course, usually not more than once, with written permission of the director of undergraduate studies and of the instructor. The
instructor meets with the student regularly, typically for an hour a week, and the student writes a paper or a series of short essays. Does
not meet the requirement for a departmental seminar.