



**COURSE (MODULE) DESCRIPTION**

Course title	Code
<b>Applied Microeconomics</b>	

Staff	Department
<b>Coordinator:</b> Andrius Kažukauskas <b>Other(s):</b> José Garcia-Louzao	Faculty of Economics and Business Administration

Study cycle	Course type
Third year (Bachelor)	Compulsory

Form of implementation	Period of implementation	Language of instruction
Face-to-face	Semester 5	English

Requirements for student	
<b>Prerequisites:</b> Economic Theory I, Economic Principles I, Econometric Theory and Practice	<b>Additional requirements:</b> Students should be able to run econometric estimations by using a for it necessary software (by choice) e.g. R, Stata

Number of ECTS credits	Student's workload	Contact hours	Individual work
5	130	36	94

Purpose of the course and competences developed	
The course covers a few economic policy relevant topics of Microeconomics. The course aims to teach students to apply theory and econometric techniques necessary to solve real life-related economic problems and provide relevant economic policy recommendations.	
Learning outcomes (corresponding learning outcomes of the programme)	Teaching methods
After course completion students should be able to demonstrate the ability to apply the theories dealing with: (1) the energy consumption and production choices using empirical methods. (2) labour market functioning and to it related economic policy	Lectures and lecture notes, tutorials, classroom discussion.

Course themes	Contact / Individual work: time and assignments		
	Lectures	Tutorials	Contact hours
<b>I. Energy market module</b>			
1. Energy Supply (electricity market overview, energy project appraisal, theory, electricity market application, policy application: EU ETS)	8	1	9
2. Energy Demand (Theory, Demand management in electricity market application, policy application: nudges)	8	1	9
<b>II. Labor market module:</b>			
1. Labor supply, labor demand, and labor market equilibrium, policy application: unemployment insurance	10	1	11
2. Wage structure, policy application: wage inequality	6	1	7
<b>Total</b>	<b>32</b>	<b>4</b>	<b>36</b>

Assessment strategy	Share in %	Time of assessment	Assessment criteria
Tutorials	30		The students will have to do 2 homework assignments (one for each block) and will have to hand in the results at the end of each block.
Final Exam	70		It will be a take-home exam. Each student will get a dataset and a topic and will have to write a mini-paper (theory derivations, empirical estimation, the interpretation of results) and hand it in two weeks.

Author	Published in	Title	Issue No. or Volume	Publishing house or Internet site
<b>Required reading</b>				
G. Borjas	2016	Labor Economics	7 <sup>th</sup> edition	McGraw-Hill
P. Cahuc, S. Carcillo, and A. Zylberberg	2014	Labor Economics	2 <sup>nd</sup> edition	MIT Press
Bhattacharyya, S.	2011	Energy Economics: Concepts, Issues, Markets and Governance. Chapters: 3, 7 & 10		Springer-Verlag
Kažukauskas, A.	2020	Economics of Electricity Markets	forthcoming	Compendium
<b>Supplementary reading</b>				
R. Rogerson, R. Shimer, and R. Wright	2005	Search-Theoretical Models of The Labor Market: A Survey	Vol. XLIII, pp. 959-988	Journal of Economic Literature
Z. Eckstein and G. Van den Berg	2003	Empirical Labor Search: A Survey		IZA DP. No. 929
Broberg, T. and Kažukauskas, A.	2015	Inefficiencies in residential use of energy -A critical overview of literature and energy efficiency policies in EU	Vol. 8: No. 2	International Review of Environmental and Resource Economics
Kažukauskas, A., Broberg, T. and Jaraitė, J.	2020	Social comparisons in real time: A field experiment of residential electricity and water use	forthcoming	Scandinavian Journal of Economics
Jaraitė, J., Kažukauskas, A., Brännlund R., Kiran, Ch. and Kriström B.	2019	Intermittency and Pricing Flexibility in Electricity Markets	2019:588	Energiforsk report
G. Jehle, P. Reny	2011	Advanced Microeconomics Theory. Chapter 8	Any Edition	Pearson Education Limited
The instructors may provide students with other recommended/compulsory reading material during the course.				