SYLLABUS OF ECONOMIC THEORY AND POLICY

ACADEMIC YEAR 2025/2026

Rethymno, 06 October 2025

MONETARY THEORY II - OIK4102

Course Objectives	The objective of this course is to introduce students to the academic debate and research on monetary theory and policy. Students will investigate current research questions in relevant topics. They may conduct empirical research (employing econometric techniques), a case study or a literature review.

Instructors	Giannellis Nikolaos

Prerequisites	Sufficient knowledge of (1) Macroeconomics and (2) Monetary Theory I is required (courses ECO1002, ECO2001, ECO3109). In case of an empirical research, students should be familiar with econometric techniques.

Learning Outcomes and General Competencies

On successful completion of the course, the students will be able to:

- Find relevant sources in the literature
- Collect data and do econometric analysis
- Employ theoretical and empirical tools in economic analysis
- Draw conclusions based on their empirical/theoretical analysis
- Write academic papers
- Present their results.
- Give answers and propose solutions to monetary unions related research questions.

Assessment method	The assessment is based on a PowerPoint presentation (30%) and a written paper (70%), which will be delivered at the end of the semester.

Tutoring courses	Not offered for this course.

Course load per semester (in hours)

Lectures	Tutorials	Individual effort	Total
45	0	117	162

Lectures

PUBLIC ECONOMICS II - OIK3107

Course Objectives

The objectives of this course are to discuss the following subjects: (i) public choice and collective decision making, (ii) political games and the distribution of ownership rights, (iii) the role of institutions and technology in economic growth, (iv) cost-benefit analysis, (v) the assessment of public policies and their effect on consumption, (vi) international tax competition and the possibilities of international tax cooperation, (vii) tariffs and international trade strategic policies, and (viii) public spending on the environment, health, education, etc.

Instructors

Koutentakis Franciscos

Course Web Page

https://econservices.soc.uoc.gr/econ_classes/course/view.php?id=54

Prerequisites

Sufficient knowledge of microeconomics and knowledge of basic differential calculus.

Learning Outcomes and General Competencies

On successful completion of the course, the students will be able to:
- understand the need of government intervention,
- select the most appropriate among policy tools to address each problem,
- compare alternatives and evaluate proposals.

Assessment method

The assessment is based on a midterm (30%) and a final exam (70%).

Tutoring courses

Not offered

Basic textbook

Rosen, H., Gayer, T., Rapanos, V. and Kaplanoglou, G. (2011). **Public Economics: Modern Theory and Greek Reality**, Kritiki Publishing, Athens (in Greek).

Stiglitz G. (1992). **Economics of the Public Sector**, Kritiki Publishing, Athens (in Greek).

Hindriks, J. and Myles, G.D (2013). **Intermediate Public Economics (2nd edition)**, MIT Press, Cambridge, Massachusetts.

Supplementary material

Myles, G.D (2002). **Public Economics**, Cambridge University Press, UK.

Gruber, J. (2015). **Public Finance and Public Policy (5th edition)**, Worth Publishers, USA.

Course load per semester (in hours)

Lectures	Tutorials	Individual effort	Total
39	0	111	150

Lectures

Week 1: Introduction to Public Economics II

Rosen et. al, ch. 1

- Basic Terminology and Methods.
- Review of Public Economics I.

Week 2: Tools of Normative and Positive Analysis

Rosen et. al, ch. 2 and 3

- Causation versus correlation.
- Welfare economics.
- The first fundamental theorem of economic well-being.
- Justice and the second fundamental theorem of economic well-being.
- Market failure.

Week 3: Public Goods

Rosen et. al, ch. 4

- Efficient provision of public goods.
- The privatization debate.
- Public goods and public choice.

Week 4: Externalities

Rosen et. al, ch. 5

- The nature of externalities.
- Private reactions to externalities (bargaining and Coase theorem, mergers, social contracts).
- State responses to externalities: taxes and subsidies, emissions taxes, and enforcement of the cap-and-trade system.
- Implications for income distribution.

Week 5: Decision Making

Rosen et. al, ch. 6

- Direct democracy.
- Representative democracy.
- An explanation of the existence and growth of the state.

Week 6: Cost-benefit Analysis

Rosen et. al, ch. 8

- Present value.
- Evaluation of private sector investments.
- Discount rate for public investment.
- Evaluation of benefits and costs of the State.
- Inferences from economic behavior.
- Valuation of intangible assets.
- Distribution issues.
- Uncertainty.

Week 7: Redistribution

Rosen et. al, ch. 11

- Income redistribution.
- Inequality measures.
- Poverty line.
- Social welfare functions.
- Valuation of transfers in kind.
- Utilitarianism. Maximin criterion. Pareto efficiency. Non-individual functions.

Week 8: Mid Term Exam

Week 9: Public Health Service

Rosen et. al, ch. 9

- Peculiarities of health services (the role of insurance, the role of concentration risks, adverse selection in the health insurance market, insurance and moral risk, other information problems in the market for health services, externalities of medical care).
- Is effective medical care delivery desirable? (paternalism, the problem of the uninsured, high health care costs).

Week 10: Social Insurance

Rosen et. al, ch. 10

- Why is social security needed? Consumption normalization and the market for life insurance, adverse selection and the market for life insurance.
- The structure of the social security system.
- Effects of the social security system on economic behavior (saving behavior, retirement decisions).
- Sustainability of the social security system.

Week 11: Tax Analysis I

Rosen et. al, ch. 13

- Impact of the tax: General observations.
- Partial equilibrium models (unit taxes, ad valorem taxes, taxes on the factors of production, taxation of goods in markets without competition, income tax).
- Examples of general equilibrium.
- Measuring excess weight with demand curves (pre-existing distortions, the excess weight of a subsidy, the excess weight of it income tax).
- Differential taxation of inputs.

Week 12: Tax Analysis II

Rosen et. al, ch. 15

- Perfect taxation of goods (Ramsey's rule, dimensions of equality).
- Excellent user charge.
- Excellent income tax.
- Politics and the problem of time inconsistency.
- Other criteria for tax planning (horizontal equality, cost of operation tax system, tax evasion).

POLITICAL ECONOMY I - OIK1301

Course Objectives

The objective of the course is to introduce students to the theoretical framework of Political Economy, i.e. the study of economic phenomena and theoretical issues arising from economic activity in the context of an approach that combines economic theory with history, philosophy and other social and political sciences. The lectures focus on the analysis of economic activity as a system of institutions and social relations, historically determined, that organize the production, distribution, accumulation, circulation of the produced product and the reproduction of this system itself. The course highlights various approaches to these issues and attempts to introduce the student to the main theoretical issues of economic analysis. These include the efficiency of markets and the failures of markets, the reasons for the division of microeconomics and macroeconomics, the difficulties of coordinating economic decisions and activities, the distribution of product among social classes and the importance of the category of labor, the relationship between the distribution of power and wealth, the relationship between efficiency and democracy/ justice, and the relationship between the state and the market.

Instructors

Lapatsioras Spyros

Course Web Page

http://econservices.soc.uoc.gr/econ_classes/course/view.php?id=27

Prerequisites

This course does not require an understanding of other courses taught in the Department of Economics.

Learning Outcomes and General Competencies

Upon successful completion of the course the student will be able to perform the following:

- To have acquired a first but comprehensive understanding of the theoretical principles of Political Economy, its foundations, its main findings and their scope as well as the main theoretical dilemmas that arise in economic theory and to be able to present the above topics (conceptually and diagrammatically).

- To be able to analyze, understand and explain the main economic problems - such as those related to the 2008 crisis and its consequences, as well as the main theoretical contributions on them (whether mainstream or heterodox). To understand basic concepts of microeconomics and macroeconomics. To know the main schools of economic thought. The general skills that the student will acquire upon completion of the course are:

- Decision making.

- Autonomous work.

- Respect for diversity and multiculturalism.

- Respect for the natural environment.

- Promotion of critical, creative and inductive/deductive thinking.

Assessment method

The assessment is based on a written exam held upon completion of a course at the end of the semester.

| *Tutoring courses* | Not offered for this course. |

| *Basic textbook* | Bowles, S. and R. Edwards, R. (2014). **Understanding Capitalism**, Gutenberg Publishing, Athens (in Greek). |

Varoufakis, G. (2006). **Political Economy**, Gutenberg Publishing, Athens (in Greek).

| *Supplementary material* | |

| *Course load per semester (in hours)* | Lectures | Tutorials | Individual effort | Total |
| | 39 | 0 | 111 | 150 |

Lectures

Week 1: Introduction

Instructor's notes.

- Structure of a scientific theory.
- Various conceptions of the economic and political; theoretical relations between economics and politics.

Week 2: The evolution of Capitalism and the emergence of Political Economy as distinct theoretical field

Instructor's notes. Bowles and Edwards, Chpt. 1, Varoufakis, Chpt. 1.

- The evolution of capitalism and the fundamental changes that occurred in the political and economic organization of societies.
- The emergence of political economy as a distinct theoretical field for the formulation of theoretical questions and answers to the practical problems raised by the evolution of capitalism.

Week 3: The Economy as a System of Interdependent Social Relations

Instructor's notes. Bowles and Edwards, Chpt. 2, 4.

- The economy as a system of social relations for production and reproduction.
- A three-dimensional approach to Economics (competition, command/control and change).
- The total product, the surplus product and the net product. Distribution and change of

total product.

Week 4: The Problem of Coordination of Economic Decisions and Activities

Instructor's notes. Bowles and Edwards, Chpt. 4, 5.

- Coordination by rules and by command, Adam Smith's "Wealth of Nations" and the "Invisible Hand."
- Values in political economy: Efficiency, Justice and Democracy.

Week 5: Markets as a Decentralized System of Information and Incentives

Instructor's Notes. Bowles and Edwards, Chpt. 5; Varoufakis, Chpt. 6 and 8.1

- Consumer, producer, firm, and market. Demand and supply. Efficiency.

Week 6: Market Failure I

Instructor's notes? Varoufakis, Chpt. 8 (8.2-8.3)

- Increasing returns to scale, externalities, commons and public goods, the "tragedy of the commons" and the "prisoner's dilemma".

Week 7: Market Failure II

Instructor's notes. Varoufakis Chpt. 8.2-8.3

- Imperfect information, adverse selection, signaling, principal-agent relationship. Other issues.

Week 8: Capitalist Production and Profits. Competition and concentration

Instructor's notes; Bowles and Edwards, Chpt. 8, 9.

- The profit rate and its determinants as a guide for analyzing firms' strategies.
- Competition, forms of competition, dynamics of competition and economic concentration.

Week 9: Labour Market, Wage and Profit

Instructor's notes. Bowles and Edwards, Chpt. 10

- The labor market. Wage setting and the labor extraction curve.

Week 10: Crisis of 1929 and the development of Macroeconomics

Instructor's notes. Bowles and Edwards, Chpt. 14.

- The Crisis of 1929.
- Keynes' theory.
- Aggregate demand and employment.

Week 11: Dilemmas of Macroeconomic Policy

Instructor's notes. Bowles and Edwards, Chpt. 14, 15, 10.

- Dilemmas of macroeconomic policy (full employment and profit squeeze, conflict between monetary and fiscal policy, crowding out, achieving full employment and institutions).
- Efficiency, democracy and equality.

Week 12: The State and the Economy

Instructor's notes. Bowles and Edwards, Chpt. 17.

- Policy options and social welfare.

Week 13: Revision.

INTERNATIONAL FINANCE - OIK3106

Course Objectives

The objective of this course is the International Money and Capital Markets. In particular, the first part of the course focuses on the foreign exchange market, which is an important part of the international capital market. We will examine the operation of the foreign exchange market and the determination of exchange rates (current and maturity), exchange rate theories, the exercise of exchange rate policy and speculative attacks. The second part of the course focuses on the crises of the international financial system, such as currency crises, banking crises and financial crises in general. This analysis presents banking risks, the events of the recent global financial crisis and the hedging against credit risk in international bond markets.

Course Web Page

http://econservices.soc.uoc.gr/econ_classes/enrol/index.php?id=39

Prerequisites

Sufficient knowledge of Macroeconomic Theory I (OIK1002) and Macroeconomic Theory II (OIK2001).

Learning Outcomes and General Competencies

The aim of the course is the analysis and interpretation of modern economic phenomena, expanding his knowledge with recent tools and theories of Macroeconomics. On successful completion of the course, the students will be able to:

- Understand how the international money and capital markets operate and especially the foreign exchange market.

- Understand the concept of equilibrium in the foreign exchange market.

- Understand the motives and movements of speculators in the foreign exchange market.

- Understand how monetary authorities intervene in the spot and forward markets.

- Understand the reasons why financial crises occur.

- Understand the concept of credit risk in international bond markets.
  The general skills that the student will acquire upon completion of the course are as follows:

- Decision making.

- Promoting scientific abstraction.

- Promoting inductive thinking.

- Adaptation to new situations.

- Autonomous work.

Assessment method

The assessment is based on a final written evaluation during the regular and re-examination period of the Department of Economics.

Tutoring courses

Not offered.

Basic textbook

Supplementary material

Course load per semester (in hours)

Lectures	Tutorials	Individual effort	Total
39	0	111	150

Lectures

Week 1: Introduction to the International Money and Capital Market

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Week 2: Foreign Exchange Market

Week 3: Foreign Exchange Market and Equivalence Relations

Week 4: Open Economy and Price Adjustment

Week 5: Exchange Rate Models I

Week 6: Exchange Rate Models II

Week 7: Exchange Rate Models III

Week 8: Foreign Exchange Policy

Week 9: Currency Crises

Week 10: The Banking System

Week 11: The Global Financial Crisis

Week 12: Bond Market and Credit Risk

Week 13: Refresher Course, Preparation and Guidelines for the Written Exams

GREEK ECONOMY I - OIK3113

Course Objectives

The objective of this course is to analyse the structure of the Greek economy and the structural problems that it faces as a Eurozone member. This analysis is quite important due to the economic effects of the current pandemic as well as the debt crisis the country faced during the previous decade. In the first part of the course, we will focus on the international economic environment and the monetary policy in Greece. Next, we will study the political-electoral cycles from 1981 until today and the macroeconomic policies (monetary and fiscal) that were implemented in the country. The last part of the course will analyse the EU accession effects on (a) the agricultural sector due to the implementation of the Common Agricultural Policy, and (b) the manufactures due to the gradual trade liberalization between Greece and the EU (abolition of measures that restricted imports and promoted exports).

Instructors

Koutentakis Franciscos

Course Web Page

http://econservices.soc.uoc.gr/econ_classes/course/view.php?id=41

Prerequisites

Sufficient knowledge of the theory based on which a modern economy operates. This is covered by Macroeconomic Theory III (ECO2004).

Learning Outcomes and General Competencies

On successful completion of the course, the students will be able to:

- To comprehend the political-electoral cycles from 1981 until today, and the macroeconomic policies that were implemented (monetary and fiscal).
- To understand the causes that led to the debt crisis in the Greek economy.
- To comprehend the implementation of the Common Agricultural Policy in Greece and its effects on the domestic agricultural production.
- To understand the effects on domestic manufactures due to the gradual trade liberalization between Greece and the EU (abolition of measures that restricted imports and promoted exports).

This course will provide students with an opportunity to develop the general competencies specified below:

- Search, analyze, and synthesize information using the appropriate tools and technologies.
- Decision making.
- Adjustment to new circumstances.
- Critical thinking and problem solving.
- Autonomous essay.

Assessment method

The assessment is based on a written exam (in the form of essay type or multiple choice questions) held upon completion of a course at the end of the semester. There is also the possibility of an **optional** mid-term exam.

| *Tutoring courses* | Not offered for this course. |

| *Basic textbook* | |

| *Supplementary material* | |

Course load per semester (in hours)	Lectures	Tutorials	Individual effort	Total
	39	0	111	150

Lectures

Week 1: International Economic Environment and Monetary Policy in Greece I

Lecture Notes in moodle.

- Bretton-Woods and European Economic Community (EEC) (1953-1971).

Week 2: International Economic Environment and Monetary Policy in Greece II

Lecture Notes in moodle.

- Free Fluctuation of Drachma (1972-1987).

Week 3: International Economic Environment and Monetary Policy in Greece III

Lecture Notes in moodle.

- "Hard Drachma" (1988-1997).

Week 4: International Economic Environment and Monetary Policy in Greece IV

Lecture Notes in moodle.

- Greece in the EMU.

Week 5: International Economic Environment and Monetary Policy in Greece V

Lecture Notes in moodle.

- Greece and the Crisis of the Euro.

Week 6: Political and Electoral Cycles I

Lecture Notes in moodle.

- PASOK Administration 1981-1985: "The Socialist Experiment".
- PASOK Administration 1985-1989: Back to Orthodox (Mainstream) Economics.

Week 7: Political and Electoral Cycles II

Lecture Notes in moodle.

- "Ecumenical" Administration 1989-1990.
- ND Administration 1991-1993: Orthodox (Mainstream) Economics.

Week 8: Political and Electoral Cycles III

Lecture Notes in moodle.

- PASOK Administration 1993-1996: Towards the EMU.
- PASOK Administration 1996-2000: EMU Accession.

Week 9: Political and Electoral Cycles IV

Lecture Notes in moodle.

- PASOK Administration 2000-2004: Greece as a full member of the Eurozone.
- ND Administration 2004-2007: Fiscal "book-keeping", gradual slowdown of economic growth and gradual deterioration of the Greek fiscal measures (budget deficit and public debt).

Week 10: Political and Electoral Cycles V

Lecture Notes in moodle.

- PASOK Administration 2009-2012: International economic crisis and the debt crisis in

Greece.

- Support Mechanism from the EU, the European Central Bank and the International Monetary Fund.
- Bailout Program I, Bailout Program II and Private Sector Involvement (PSI).
- Coalition Administration 2012-2015 ND-PASOK-DIMAR.

Week 11: Political and Electoral Cycles VI

Lecture Notes in moodle.

- SYRIZA-ANEL Administration 2015-2019: Bailout Program III.
- ND Administration 2019: Changes in economic policy.
- CoVid19: Economic effects of the pandemic in the Greek economy.

Week 12: Effects on the Agricultural Sector due to the EU Accession – Common Agricultural Policy (CAP)

Lecture Notes in moodle.

- "Traditional" CAP measures: variable levy, intervention price, threshold price and export refund.
- Changes in "traditional" CAP in 1984 and the implementation of production quotas.
- The reform of 1992 and the implementation of "set-aside".
- Agenda 2000 and modern CAP.
- Quantifying the CAP effects on domestic agricultural production.

Week 13: Effects on Manufactures due to the EU Accession

Lecture Notes in moodle.

- Association Agreement between Greece and the EU (1962): gradual abolition of tariff protection on EU imports, and implementation of the Common External Tariff (CET) on imports from the rest of the world..
- Full Membership in the EU (1981): rapid abolition of the remaining tariffs and other policy measures that had equivalent effects with tariffs, and full implementation of the CET.
- Analysis of welfare effects from the introduction of an import tariff and an import quota.
- Gradual abolition of indirect taxes on imports: "Regulatory levy".
- Export subsidies and their gradual abolition as a result of an agreement between Greece and the EU.
- Quantifying the effects on domestic manufactures due to the gradual trade liberalization between Greece and the EU.

SPECIAL TOPICS IN ECONOMIC THEORY - OIK4301

Instructors

Milonakis Dimitris

Course Web Page

http://econservices.soc.uoc.gr/econ_classes/enrol/index.php?id=56

Course load per semester (in hours)

Lectures	Tutorials	Individual effort	Total
39	0	111	150

Lectures

ECONOMIC DEVELOPMENT II - OIK3301

Course Objectives

This course applies the tools of economic analysis to issues of developing countries. The emphasis is on the features of the economies of developing countries that keep them trapped in low equilibria. The course starts off with the classic theories of economic growth and development and moves on to contemporary models of development and underdevelopment. The issues of poverty, inequality and absence of finance (measurement, interrelationship with level of development) are examined at length.

Course Web Page

http://econservices.soc.uoc.gr/econ_classes/enrol/index.php?id=32

Basic textbook

Supplementary material

Course load per semester (in hours)

Lectures	Tutorials	Individual effort	Total
39	0	111	150

Lectures

HISTORY OF ECONOMIC THOUGHT II - OIK3310

Basic textbook

Supplementary material

Course load per semester (in hours)	Lectures	Tutorials	Individual effort	Total
	39	0	111	150

Lectures

BEHAVIORAL ECONOMICS - OIK3118

Course Objectives

The course introduces students to the basic concepts and models of the fast-developing field of behavioral economics. The main topics covered include the analysis of the decision-making process under bounded rationality, heuristics and cognitive biases, decision making under risk, uncertainty and ambiguity, decision making over time, introduction to behavioral game theory, nudging and behavioral welfare economics. The concepts and models will be discussed through references to the relevant literature and the examples/experiments used to define and analyze the concepts.

Course Web Page

https://econservices.soc.uoc.gr/econ_classes/course/view.php?id=366

Prerequisites

Knowledge of basic microeoconomic models, as these are presented in Microeconomic Theory I (OIK1005) and II (OIK2002), and especially the models of consumer behavior, is necessary for following the course. Useful, but not necessary, is familiarity and understanding of concepts from Game Theory (OIK3102).

Learning Outcomes and General Competencies

After successful completion of the course students will be able to:
- describe and discuss the basic concepts and models of behavioral economics
- critically analyze the assumptions of both neoclassical and behavioral economic models
- assess the advantages and disadvantages of behavioral economics models
- interpret and assess empirical studies in the field of behavioral economics
- apply and explain concepts related to the decision-making process in new problems
The general skills that students will have after completion of the course are:
- analysis of economic and social phenomena using theories from behavioral economics
- general view of economics in relation to other social sciences and especially psychology and sociology

Assessment method

Learning is assessed via a written examination in the middle of the semester, which is compulsory for all students, and a final written examination, which will be timetabled in accordance with the Department's procedure for scheduling of examination periods. These examinations, which will include short-answer questions and solutions to longer problems, will assess the students' understanding of the concepts and their ability to solve problems relevant to material presented in class. The intermediate examination will take place during the 8th week of the semester and the exact date and time will be announced by the Secretariat, at least 15 days prior to the examination. In the September resit examination period, the mark of the intermediate examination will not be counted in the course's final mark.

Tutoring courses

Not offered.

Basic textbook

Ogaki, M. and S. C. Tanaka (2017). **Behavioral Economics**, Springer Nature, Singapore.

Supplementary material

Takemura, K. (2019). **Foundations of Economic Psychology**, Springer Nature, Singapore.

Cartwright, E. (2018). **Behavioral Economics**, Routledge, London and New York.

Dhami, S. (2016). **The Foundations of Behavioral Economic Analysis**, Oxford University Press, Oxford.

Course load per semester (in hours)

Lectures	Tutorials	Individual effort	Total
39	0	111	150

Lectures

1st Week: Introduction and definition of basic concepts

Ogaki and Tanaka, Chap. 1, Cartwright, Chap. 1

- Introduction to the course.
- Short overview of the historical development of behavioral economics.
- Definition of the field in relation to neoclassical economics.
- A first look at problems behavioral economics is concerned with.

2nd Week: Bounded rationality and heuristics

Ogaki and Tanaka, Chap. 5, Cartwright, Chap. 2

- Bounded rationality as a framework for decision making in complex problems.
- `Satisficing' instead of utility maximization.
- Heuristics and cognitive biases.

3rd Week: Decision making under risk and uncertainty I

Ogaki and Tanaka, Chap. 3, Cartwright, Chap. 3

- Risk, uncertainty and ambiguity.
- Neoclassical theory of preferences and decision making under risk (von Neumann

Morgenstern).

- Examples where the assumptions of the neoclassical theory fail.

4th Week: Decision making under risk and uncertainty II

Ogaki and Tanaka, Chap. 6, Cartwright, Chap. 3

- Prospect theory: basic assumptions and analysis.
- Performance of prospect theory in explaining observed behavior in experiments and in the real world.

5th Week: Discounting and decisions that involve time

Ogaki and Tanaka, Chap. 6, Cartwright, Chap. 4

- Neoclassical approach and exponential discounting.
- Examples where observed behavior is inconsistent with exponential discounting.
- Hyperbolic discounting.
- Time-inconsistent preferences.
- Examples.

6th Week: Behavioral game theory

Ogaki and Tanaka, Chap. 8, Cartwright, Chap. 6

- Brief review of concepts from game theory.
- Strategic behavior and learning.
- Level-k analysis and Nash equilibrium with mistakes.
- Examples.

7th Week: Learning from new information I

Ogaki and Tanaka, Chap. 7, Cartwright, Chap. 5

- Bayes' rule and observed behavior in relation to learning from new information
- Confirmation bias and the `Law of small numbers'.

8th Week: Intermediate examination

9th Week: Learning from new information II

Ogaki and Tanaka, Chap. 7, Cartwright, Chap. 5

- Social learning.

- Examples.

10th Week: Other-regarding preferences

Ogaki and Tanaka, Chap. 8, Cartwright, Chap. 7

- Social preferences.
- Equality and fairness.
- Examples.

11th Week: Behavioral welfare economics

Ogaki and Tanaka, Chap. 11, Cartwright, Chap. 10 and Chap. 11

- Libertarianism and paternalism.
- Nudging and policy design.
- Examples.

12th Week: Behavioral finance and behavioral industrial organization

Statman, 2008; Grubb, 2015

- Behavioral finance.
- Behavioral industrial organization.

13th Week: Revision and preparation for the final exam

GAME THEORY - OIK3102

Course Objectives

The objective of this course is to introduce Economics students to Game Theory. Game Theory is a mathematical framework that analyzes decision-making processes in environments characterized by interdependence among agents. Its goal is to explain and predict how individuals behave in strategic situations. A situation is strategic if the outcome of a decision problem depends on the choices of more than one person. Most decision problems in real life are strategic. We will present the basic categories of cooperative and non-cooperative games. We will analyze static/dynamic games with complete/incomplete and perfect/imperfect information. We will study their solution concepts per category. We will also present representative economic applications for each of the above categories. These applications focus on models and paradigms found in economic courses of the first years of a typical Economics department curriculum. The students will learn how to recognize and model strategic situations, predict their outcomes, and exploit strategic situations for the benefit of their own.

Instructors

Skartados Panagiotis

Course Web Page

http://econservices.soc.uoc.gr/econ_classes/enrol/index.php?id=36

Prerequisites

Sufficient knowledge of calculus and (un)constrained optimization (as in ECO1001 and ECO 1004), and the basic concepts of probability theory (as in ECO1003).

Learning Outcomes and General Competencies

On successful completion of the course, the students will be able to:

- Understand in-depth the usefulness and the necessity of Game Theory in Economics
- Identify strategic situations and represent them as games
- Explain basic game-theoretic concepts
- Describe games using game trees and payoff matrices
- Solve games using various game-theoretic techniques
- Analyze economic situations using game theoretic techniques
- Recommend and prescribe which strategies to implement

Assessment method

The assessment is solely based on a comprehensive 3-hours final exam of the course, which covers all course topics. There is a possibility of getting some extra marks for participating in-class game-theoretic experiments.

Tutoring courses

Not offered for this course.

Basic textbook

Gibbons, R. (2009). **Game theory for Applied Economists**, Princeton University Press, New Jersey.

Osborne, M. (2010). **Introduction to Game Theory**, Oxford University Press, Oxford.

Supplementary material

Stamatopoulos, G. (2015). **Game Theory**, Kallipos, Athens (in Greek), https://repository.kallipos.gr/handle/11419/3007.

Course load per semester (in hours)

Lectures	Tutorials	Individual effort	Total
39	0	111	150

Lectures

Week 1: Introduction to Game Theory

Stamatopoulos (2015) Chapter 1 (in Greek)

- Brief History of Game Theory
- The objectives of this course
- Literature
- Case studies

Week 2: Static Games with Complete Information, part #1

Stamatopoulos (2015) Chapter 2 (in Greek)

- Introduction
- Basic framework
- Terminology/Literature
- Solution concept in pure strategies
- Solution concept in mixed strategies

Week 3: Static Games with Complete Information, part #2

Stamatopoulos (2015) Chapter 2 (in Greek)

- Application in a duopoly with complete information
- Application in contest games
- Application in second-price auctions
- Exercises

- Case studies

Week 4: Dynamic Games with Perfect Information

Stamatopoulos (2015) Chapter 3 (in Greek)

- Introduction
- Basic framework
- Terminology/Literature
- Extensive form games
- Continuous sets of actions
- Exercises
- Case studies

Week 5: Repeated Games

Stamatopoulos (2015) Chapter 4 (in Greek)

- Introduction
- Basic framework
- Terminology/Literature
- Finitely repeated games
- Infinitely repeated games
- Exercises
- Case studies

Week 6: Static Games with Incomplete Information, part #1

Stamatopoulos (2015) Chapter 5 (in Greek)

- Introduction
- Basic framework
- Terminology/Literature
- Solution concept in pure strategies
- Solution concept in mixed strategies

Week 7: Static Games with Incomplete Information, part #2

Stamatopoulos (2015) Chapter 5 (in Greek)

- Application in a duopoly with incomplete information
- Application in double actions
- Application in first-price auctions
- Public goods

- Exercises
- Case studies

Week 8: Cooperative Games

Stamatopoulos (2015) Chapter 6 (in Greek)

- Introduction
- Basic framework
- Terminology/Literature
- The core, the kernel, and the nucleolus
- The Shapley value
- Exercises
- Case studies

Week 9: Bargaining – an axiomatic approach

Stamatopoulos (2015) Chapter 7 (in Greek)

- Introduction
- Basic framework
- Terminology/Literature
- Nash Solution Concept
- Kalai-Smorodinsky Solution Concept
- Other Solution Concepts
- Exercises
- Case studies

Week 10: Bargaining – a non-cooperative approach

Stamatopoulos (2015) Chapter 8 (in Greek)

- Introduction
- Basic framework
- Terminology/Literature
- Finite horizon Solution Concept
- Infinite horizon Solution Concept
- Extensions
- Exercises
- Case studies

Week 11: Dynamic Games with Perfect Information

Stamatopoulos (2015) Chapter 9 (in Greek)

- Introduction
- Basic framework
- Terminology/Literature
- Solution concept
- Signaling games
- Exercises
- Case studies

Week 12: Special Topics in Game Theory

Lecture Notes

- Evolutionary Games
- Mechanism design
- Computational (algorithmic) Game Theory
- Experimental Game Theory
- Metagames

Week 13: Refresher

- Re-running the whole course material

SPECIAL TOPICS IN ECONOMETRICS - OIK4101

Instructors

Tsiotas Georgios

Course Web Page

Basic textbook

Supplementary material

Course load per semester (in hours)

Lectures	Tutorials	Individual effort	Total
52	0	90	142

Lectures

ECONOMIC DEVELOPMENT I - OIK3302

Course Objectives

The main objective of the course is to understand the mechanisms of the development process and to
interpret the factors contributing to underdevelopment. In order to achieve this objective, the course
presents key concepts and fundamental theoretical approaches related to economic development.
These different theoretical approaches are analyzed based on three main criteria:
1. The first criterion concerns how each approach defines the concept of "development."
2. The second criterion focuses on the development theory formulated according to each conceptual approach to development. Within this framework, development goals are identified,
along with the conditions that promote or hinder their achievement, the causal relationships,
and the underlying laws governing processes of change. The main contributing factors are also
examined, along with the interests they represent and the impact of these changes on different
social groups and geographic regions.
3. The third criterion relates to development strategy and refers to the actions and policy interventions through which development goals can be achieved.

Instructors

Course Web Page

http://econservices.soc.uoc.gr/econ_classes/enrol/index.php?id=33

Prerequisites

This course does not require prior knowledge from other courses within the Department of Economics.

Learning Outcomes and General Competencies

The learning outcomes are structured around knowledge, skills, and competencies.
A. The primary aim of the course is to understand the mechanisms of the development process and
interpret the factors leading to underdevelopment. To achieve this goal, key concepts and fundamental
theoretical approaches to development are presented. The various theoretical perspectives are analyzed
based on three main criteria: Definition of Development: Each approach is examined in terms of how it
conceptualizes the notion of "development." Development Theory: The theoretical framework is
developed based on the specific conceptual understanding of development. Within this context,
development goals are identified, as well as the conditions that promote or hinder their achievement.
The causal relationships and the laws governing transformation processes are analyzed. The key
contributing factors are identified, along with the interests they represent and the impact of changes on
different social groups and geographic regions. Development Strategy: This refers to the

actions and
interventions through which development goals can be achieved.
B. The course aims to develop the ability to apply the above knowledge in both theoretical/academic
and professional contexts. These skills should be applicable across a range of conditions and situations.
Students will be equipped to manage topics related to:
▣ Methodologies for constructing and using development indicators.
▣ Major global challenges such as poverty, inequality, unemployment, migration, health, nutrition,
hunger, and malnutrition.
▣ The relationship between economic development and the environment.
▣ Alternative options for the development of the Greek economy, in terms of goals and strategies.
▣ The relationship between the Greek economy and both developed and developing economies.
▣ Theoretical engagement with broader issues of economic development.
The acquired knowledge and skills are expected to foster independent and responsible handling of
academic and professional challenges. Key competencies include:
▣ Monitoring, understanding, and analyzing developments in the global economy.
▣ Analyzing the relationships between developed and developing countries.
▣ Using basic and alternative indicators to measure economic growth and development.
▣ Adopting a pluralistic theoretical and methodological approach to development issues.
▣ Promoting free, critical, and creative thinking.
▣ Identifying, analyzing, and synthesizing critical data and information.
▣ Perceiving new situations and adapting effectively to them.

Assessment method

Student evaluation is based on a written examination during the official exam period.
The exam consists of a combination of multiple-choice questions and short-answer questions.

Tutoring courses

There are no tutorial sessions provided for this course.

Basic textbook

(2007). **Society, State, Market: Theories of Development.**, Savallas, Athens.

(2011). **Economics of Development**, Dardanos, Athens.

(2015). **Economic Development**, Papazisi, Athens.

(2022). **Economic Development**, Tziola, Thessaloniki.

(2016). **Economics of Development**, Kritiki, Athens.

Course load per semester (in hours)

Lectures	Tutorials	Individual effort	Total
39	0	111	150

Lectures

Week 1: Introduction

Overview of the course content and structure.

Week 2: Building Foundational Knowledge and Understanding (A)

- Science, epistemology, and method.
- The global economy: geography, economy, population, environment, energy.
- Basic statistics, bibliography, and data sources.
- Prerequisite economic knowledge.

Week 3: Building Foundational Knowledge and Understanding (B)

Inequality, unemployment, migration, poverty, health, nutrition, hunger, and malnutrition.

Week 4: Building Foundational Knowledge and Understanding (C)

- Key concepts: growth vs. development.
- Measuring development: GDP and alternative indicators.

Week 5: Theoretical Foundations of Development Economics

- Smith,
- Ricardo,
- Malthus,
- Mill.
- Marx,
- Schumpeter,
- Marshall,
- Keynes.

Week 6: Growth and Modernization Theories (A)

- Balanced growth: Rosenstein-Rodan, Nurkse.
- Unbalanced growth: Hirschman, Kuznets.

Week 7: Growth and Modernization Theories (B)

- Growth poles: Perroux.
- Stages of modernization: Lewis, Rostow.
- Development patterns: Chenery, Syrquin.

Week 8: Structuralist and Neo-Structuralist Theories

- Furtado,
- Sunkel,
- Prebisch,
- Singer,
- Myrdal.

Week 9: Marxist Theory of Capitalist Expansion – Theories of Imperialism

- Marx,
- Luxemburg,
- Lenin,
- Bukharin,
- Hilferding.

Week 10: Neo-Marxist Theories of Underdevelopment and Dependency

- Baran,
- Frank,
- Amin,
- Emmanuel,
- Cardoso,
- Wallerstein.

Week 11: State, Market, and Development – Alternative Development Theories – Social Needs Approach

- The role of the state in development.
- Neoclassical critique of state intervention.
- Alternative development perspectives and their theoretical foundations.
- Poverty and the social needs approach.

Week 12: Economic Development and the Environment

- The limits of growth.
- Sustainable development.
- Degrowth.

HISTORY OF ECONOMIC THOUGHT I - OIK2303

Course Objectives

The objective of this course is to understand the historicity of economic theories but also to highlight the connection of economic thought with historical conditions in which they developed. In this context, we will focus on the link between economic thought and economic history which appears to be the fundamental requirement for a better understanding of modern economic reality. During the lectures, we will discuss the pre-classical period of economic thought (merchants, naturalists) while we will emphasize the classical period of political economy (Adam Smith, David Ricardo, J.S.Mill) and the origins of criticism of classicism (Karl Marx).

Instructors

Thomakis Zafeirios

Prerequisites

This course does not require any prior knowledge of other courses provided by the Department

Learning Outcomes and General Competencies

On successful completion of the course, the students will be able to:

- Identify the differences of different schools of thought in economics.
- Distinguish and integrate the various theoretical patterns and methods into a specific school of economic thought.
- Develop criticism on the economic thoughts questioning the major economic theories.
- Recognize the importance of both the history and the methodology of comprehension of the history of economic thought.

On successful completion of the course, the students will be able to:

- Work on autonomous projects
- Develop criticism and self-criticism
- Promote free thought
- Compare different approaches

Assessment method

The assessment is based on written exams at the end of the semester, while there will be optional assignments during the lectures that will account for 30% of the final grade (if it is higher than the grade of the final exam).

Tutoring courses

Not offered for this course.

Basic textbook

Supplementary material

Course load per semester (in hours)	Lectures	Tutorials	Individual effort	Total
	39	0	111	150

Lectures

Week 1: Economic Thought in antiquity and the Middle Ages.

- Economic Thought in antiquity and the Middle Ages. The early manifestations of Economic Thought in ancient and middle times will be gleaned as mental reflections of changes in the larger social formations. This logic will highlight the sovereignty of the state and how it prevented autonomy in economic thought, while at the same time reference will be made both to the economic thought of Aristotle, Plato, Xenophon, and to that of Thomas d Aquinus. Reference will be made to the economic ideas of the fathers of the Eastern Church (Three Hierarchs) and the fathers of the Western Church - Scholastic writers (Aquinus, Oresme).

Week 2: The pre-classical period and mercantilist economic thought

- The Pre-Classical period and mercantilist economic thought. Examination of economic and social conditions that led to the emergence of Mercantile thinking, while analysis of the main Mercantile views on concepts such as the nature of wealth, the importance of a positive trade balance, etc., but also the main manifestations of Mercantile politics. The main commercial theorists will also be presented and the differences of early and late (liberal) commercial economic thought will be analyzed.

Week 3:Preclassic period, Physiocrats (naturalism)

- The French economy of the early 18th century will be studied as the historical context for the emergence of the first systematized Economic School of thought, Physiocrats. The philosophy and economic concepts of the main representatives of naturalistic Economic Thought will be examined, while in addition the economic table of Quesnay (Tableau economique) will be presented as the origin of Macroeconomic Analysis. Finally, the emergence of the demonetisations between Eercantilists and Physiocrats as the prelude to the classical period in economic thought.

Weeks 4-5: The Classical School, The Classical period of political economy, and A. Smith.

- The pre-industrial revolution will be presented as the material precondition for the systematization of economic thought, while the economic philosophy, economic methodology and basic economic concepts of the classical period will be depicted. An illustration of Adam Smith's economic philosophy, and his critique of Mercantile ideas, while summarizing his views on value, economic growth, and income distribution. Finally, ways to use history in Smithian economic theory as an organic complement to economic analysis will be considered.

Weeks 6: The Classical School, D. Ricardo

- It will examine the dominance of the Ricardian paradigm in political economy, giving particular weight to the concept of differential rent as formulated in 1815, to the labour theory of value as expressed in the principles of Political Economy and taxation in 1817, while highlighting the importance of the concept of comparative advantage as a precondition for free trade.

Weeks 7-8: The Classical School, T.R. Malthus, J.S. Mill and others classics

- These lectures will highlight the economic thinking of post-cardiac economists (e.g. James Mill) who formed, under the influence of Ricardo, the first substantial School of economic thought. In the context of criticism and questioning of the hegemony of Ricardian thought, the conciliatory project of J.S. Mill, who was Ricardo's most heterodox follower in the second half 19th century. The work of Robert Malthus and J. B. Say.

Week 9: Socialism and Utopia, (French utopians, C. Fourier Ms.)

- The economic thought of French utopianism will be examined as the nuggets of an early socialist view. It is at this level that the approach of Henri de Saint-Simon,

  Charles Fourier and Robert Owen will be considered. It will highlight their focus on the issue of distribution, which also exerted a significant influence on both J.S. Mill as well as Karl Marx. In addition, the importance they attributed to the economic past as a determining factor for the articulation of economic theorems will be studied.

Week 10-11: The Marxist School, K. Marx, F. Engels and Marxist economic theory

- In these lectures, the life of Karl Marx will be examined and the most important influences on Marxist political economy will be reflected (Hegelian philosophy, Ricardian political economy, French utopianism). The dialectical method, materialist conception and ways of using history will be examined while the Marxist theory of value will be analysed. In addition, the laws of the accumulation of capital and the downward tendency of the rate of profit will be studied, while the Marxist theory of economic crises will be approached and the problem of the transformation of values into prices of production will be analyzed.

Week 12: Connection of classical with neoclassical school, presentations of students ' work

- The transition from the classical to the neoclassical school will be presented superficially. The students ' work will be presented and a dialectical discussion will follow.

Week 13: Lesson recapitulation and conclusions

There will be a summary of the classical period of Political Economy, a critique of classical tradition by Karl Marx and a recapitulation of the lesson.

INTERNATIONAL TRADE THEORY - OIK3108

Course Objectives

The course focuses on the importance of trade transactions and the full comprehension of international trade of goods and services. It emphasizes on the movements of factors of production and the interventions of trade policies. The analysis is divided in three parts. The first part analyses the four main theoretical trade models (Ricardian, Specific Factors, Heckscher-Ohlin, Standard) and focuses on the benefits of trade openness in relation to autarky. The second part extends the above analysis and discusses the effects of trade openness in cases of imperfect competition and, in particular, when internal and external economies of scale exist. The third part studies the government interventions in international trade that restrict imports and promote exports. As a case study, the trade policy in Greece is analysed and, in particular, its changes due to the Association Agreement with the EU (1962) and the Full EU Membership (1981). Several aspects regarding the political economy of international trade and the controversies about trade openness are also discussed.

Instructors

Koukouritakis Minoas

Course Web Page

http://econservices.soc.uoc.gr/econ_classes/course/view.php?id=53

Prerequisites

Sufficient knowledge of Microeconomic Theory

Learning Outcomes and General Competencies

On successful completion of the course, the students will be able to:

- To comprehend the mechanisms which make international trade beneficial for each country.
- To indicate the re-distributional effects of trade in each country.
- To understand the importance and the effects of trade policy internationally, as well as in the case of Greece.

  This course will provide students with an opportunity to develop the general competencies specified below:

- Search, analyze, and synthesize information using the appropriate tools and technologies.
- Decision making.
- Adjustment to new circumstances.
- Critical thinking and problem solving.
- Autonomous essay.

Assessment method

The assessment is based on a written exam (in the form of essay type or multiple choice questions) held upon completion of a course at the end of the semester.

Tutoring courses

Not offered for this course.

Basic textbook

Krugman, P., Obstfeld, M. and Melitz, M. (2023). **International Economics (5th edition)**, Kritiki Publishing, Athens (in Greek).

Supplementary material

Salvatore, D. (2017). **International Economics**, Tziola Publishing, Athens (in Greek).

Katranidis, S. and Dadakas, D. (2017). **Theory and Policy of Internatioanl Trade**, Tziola Publishing, Athens (in Greek).

Course load per semester (in hours)

Lectures	Tutorials	Individual effort	Total
39	0	111	150

Lectures

Week 1: Introduction

Krugman, Obstfeld and Melitz, Ch. 1, 2

- International trade: benefits, structure, national policies.
- Gravity model.
- Impediments to trade: distance, barriers and borders.
- The changing pattern of world trade – international trade in our days.

Week 2: Ricardian Model I

Krugman, Obstfeld and Melitz, Ch. 3

- Opportunity cost and comparative advantage.
- Ricardian model.

Week 3: Ricardian Model II

Krugman, Obstfeld and Melitz, Ch. 3

- Relative wages.
- Misconceptions about comparative advantage.
- Comparative advantage with many goods.
- Transportation costs and non-traded goods.
- Empirical evidence.

Week 4: Specific Factors of Production I

Krugman, Obstfeld and Melitz, Ch. 4

- Specific factors model.
- Prices, wages and labour allocation.

Week 5: Specific Factors of Production II

Krugman, Obstfeld and Melitz, Ch. 4

- Trade and relative prices.
- Mobility of factors of production.

Week 6: Heckscher-Ohlin Model I

Krugman, Obstfeld and Melitz, Ch. 5

- Heckscher-Ohlin model.
- Choosing the mixture of inputs.
- Factors prices and goods prices.

Week 7: Heckscher-Ohlin Model II

Krugman, Obstfeld and Melitz, Ch. 5

- Resources and output.
- International price and factor price equalization.
- Empirical evidence.

Week 8: The Standard Trade Model

Krugman, Obstfeld and Melitz, Ch. 6

- The standard trade model.
- Economic growth.
- Tariffs and export subsidies.
- Terms of trade effects: gains and losses.
- The standard trade model – international borrowing and lending.

Week 9: Internal and External Economies of Scale I

Krugman, Obstfeld and Melitz, Ch. 7, 8

- External economies of scale.

- Internal economies of scale.

Week 10: Internal and External Economies of Scale II

Krugman, Obstfeld and Melitz, Ch. 7, 8

- Intra-industry trade.
- Firm responses to trade.
- Trade costs and export decisions.
- Dumping.
- Multinationals and foreign direct investment.

Week 11: Trade Policy I

Krugman, Obstfeld and Melitz, Ch. 9, 11

- Tariffs.
- Import quotas.
- Export subsidies.
- Voluntary export restraints.
- Other trade policy measures – effects of trade policies.
- Developing countries.

Week 12: Trade Policy II – The Case of Greece

Lecture Notes in moodle

- Trade policy measures.
- Association Agreement between Greece and the EU (1962).
- Full EU Membership (1981).
- Protection indices – trade flows.
- EU accession effects.

Week 13: The Political Economy of Trade Policy - Controversies

Krugman, Obstfeld and Melitz, Ch. 10, 12

- The cases for free trade.
- The cases against free trade.
- Political economy of trade policy.
- World Trade Organization (WTO).
- Preferential trading agreements.
- Technology and externalities.
- Trade and environment.

PUBLIC ECONOMICS I - OIK3101

Course Objectives

The course aims to provide the analytical tools for understanding the critical role of the state and its impact on economic activity, welfare and distribution. The first part discusses taxation (consumption, income and evasion) and the functioning of social security. The second part presents fiscal policy from a macroeconomic perspective, focusing on the fiscal balance, debt dynamics and defaults. The third and last part examines the interplay of competing interests in the formation of economic policy raising issues of economic inequality, collective choice and policy decisions.

Instructors

Koutentakis Franciscos

Course Web Page

https://econservices.soc.uoc.gr/econ_classes/course/view.php?id=44

Prerequisites

Public economic is a broad field and requires an equally broad Economics background. In particular, students need to be familiar with undergraduate Mathematics (OIK1001 and OIK1004), Microeconomics (OIK1005 and OIK2002) and Macroeconomics (OIK1002 and OIK2001).

Learning Outcomes and General Competencies

On successful completion of the course, the students will be able to:

- Understand the role of the state in economic activity.
- Assess the differential impacts of taxation.
- Evaluate the distributive role of social security.
- Measure the fiscal balance and comprehend debt sustainability.
- Understand the dynamics of economic inequality.
  The general skills that the student will acquire upon completion of the course are as follows:
- Understanding of economic policy and distributional conflicts.
- Abstract scientific and inductive thinking.
- Fiscal decision making.

Assessment method

Written examination (multiple choice) at the end of the semester (Oral examination for Erasmus students)

Tutoring courses

Not offered.

Basic textbook

Koutentakis, Fr. (2022). **Online slides**, Rethymno.

Supplementary material

Stiglitz, J. and Rosengard, J. (2019). **Economics of the Public Sector**, Kritiki Publishing, Athens (jn Greek).

Drakos, G. (1998). **Introduction to Public Economics**, Stamoulis Publishing , Athens (jn Greek).

Grueber, J. (2017). **Public Economics and Policy**, DaVinci Publishing, Athens (jn Greek).

Course load per semester (in hours)

Lectures	Tutorials	Individual effort	Total
39	0	111	150

Lectures

Week 1: Introduction: Collective action and the role of the state

Week 2: Competitive efficiency and social welfare

Week 3: Consumption taxation and tax incidence

Week 4: Income taxation and progressivity

Week 5: Tax evasion

Week 6: Social security and savings

Week 7: Overlapping generations

Week 8: Fiscal policy and the budget

Week 9: Public debt and sustainability

Week 10: Debt overhang and default

Week 11: Economic inequality

Week 12: Public choice and economic policy

Week 13: Wrap-up and preparation for exams

ECONOMICS OF EDUCATION - OIK3116

Course Objectives	The course studies the investment in education and expansion of human capital from the viewpoint of students (impact on future remuneration), from the viewpoint of the firm in which these students will be employed (improvement in productivity), and from a macroeconomic viewpoint (impact on economic growth). The course focuses on the theories that have been proposed to study the above topics and their empirical investigations.
Course Web Page	https://econservices.soc.uoc.gr/econ_classes/course/view.php?id=122
Prerequisites	The course assumes familiarity with basic economic analysis as covered in Mathematics I and II (ECO1001 & ECO1004 respectively), with Statistics (ECO1003, ECO1006) and Econometrics (ECO2003 & ECO2006) as well as with Intermediate Microeconomic (ECO2002) and Macroeconomic theory (ECO2001).

Learning Outcomes and General Competencies

Following the successful completion of the course, the student will be in a position:

- To understand differences between human capital theory and the signalling model.
- To comprehend the education production function.
- To understand the importance of human capital for economic growth.
- To understand the alternative methodologies used to measure returns to education and the distinction between private and social returns.
- To understand the differences between general and specific training and the role of labour market imperfections in the provision of on the job training.

The general competences that students will acquire following the successful completion of the course include:

- Application of micro and macroeconomic analysis tools.

Assessment method	The course assessment will be conducted through a final written test.
Tutoring courses	No tutorials are envisioned for this course.
Basic textbook	Lovenheim, M. and Turner, S. (2020). **Economics of Education**, Broken Hill Publishing, Nicosia (in Greek).
Supplementary material	Boeri T. and Van Ours, J. (2013). **The Economics of Imperfect Labour Markets**, Kritiki Publishing, Athens (in Greek).

Borjas, G.J. (2016). **Labour Economics**, Kritiki Publishing, Athens (in Greek).

Ehrenberg R. and Smith, R. (2017). **Modern Labour Economics: Theory and Public Policy**, Broken Hill Publishing, Nicosia (in Greek).

Kalaitzidakis, P. and Kalyvitis, S. (2008). **Economic Growth: Theory and Policy**, Kritiki Publishing, Athens (in Greek).

(2023). **Articles and additional material uploaded on the Moodle course page.**,

Course load per semester (in hours)	Lectures	Tutorials	Individual effort	Total
	39	0	111	150

Lectures

Week 1

- Introduction.
- Education as a public good/Externalities of Education.
- Evidence on the expansion and the financing of education.

Week 2

- Human Capital Theory: Becker and Ben-Porath models.
- Spence Signalling model of Education.

Week 3

- Estimating Returns to Education.

Week 4

- Education Production Function.

Week 5

- School Resources: technology and class size.

Week 6

- General and Specific Training: conditions for their provision.

Week 7

- The importance of Early Childhood Intervention.

Week 8

- Education and Income distribution.

Week 9

- Explaining school dropouts.

Week 10

- Crime, health and education.

Week 11

- Economic growth and education (1).

Week 12

- Economic growth and education (2).

Week 13

- Revision.

ENVIRONMENTAL POLICY - OIK3119

Course Objectives

The course intends to provide the students with the theoretical background needed to analyze how environmental policies work in a changing reality. We consider a variety of different types of environmental problems, such as climate change, biodiversity losses and water and air quality degradation. The course includes analysis and comparison of different types of environmental policies - command and control, economic instruments, and voluntary agreements. The topics analyzed within the course include:

1. Environmental Policy: targets and instruments
2. Environmental Policy and Market Structure
3. Informational Asymmetry and Pollution
4. The Design of Environmental Policy: stock externalities and dynamic considerations
5. Environmental Policy: the international dimension

Learning Outcomes and General Competencies

After the completion of the course, the student should be able to:

1. Describe and critically discuss how policy instruments (e.g., taxes, subsidies, contractual arrangements, etc.) and institutions (authority, legal environment, etc.) can be efficiently designed at a local, regional and international scale.
2. Assess and then compare different policy instruments such as command and control, voluntary and market mechanisms on the basis of efficiency, effectiveness and equity considerations.
3. Identify and discuss the impact that information asymmetry, uncertainty and risk may have on the design and implementation of environmental policies.
4. Identify and explain the implications that environmental policy may have on market and industry structure.
5. Summarize relevant literature and critically review scientific articles.

Assessment method

There will be a written final exam and an optional team (3-4 students) assignment adding a maximum of 3 points to your exam grade. For the assignment, you will have to select a paper the content of which is related to one of the topics investigated within the course. The selected paper must be approved by the course responsible. You will read the paper and prepare a report (max 4 pages) where you summarize the content, illustrate and discuss its strengths and weaknesses. The report must be submitted to the course responsible. Apart from the report, you will need to prepare a 10' presentation of the paper in English. The presentation of the report will take place in class and is mandatory for those who choose to do the assignment.

Tutoring courses

Not offered.

Basic textbook

Field, B.C and Field, M.K. (2021). **Environmental Economics (8th edition)**, McGrawHill,

Field, B.C and Field, M.K. (2021). **Οικονομικά του Περιβάλλοντος (7η έκδοση)**, Broken Hill Publishers Ltd,

Xepapadeas, A. (1997). **Advanced Principles in Environmental Policy (New Horizons in Environmental Economics)**, Edward Elgar Publishing,

Course load per semester (in hours)	Lectures	Tutorials	Individual effort	Total
	39	0	111	150

Lectures

Week 1: Introduction and Basic Notions

Field and Field Ch. 1

Week 2: The Targets of Environmental Policy

Field and Field Ch. 2

- How to set the targets of environmental policy?
- Emissions, Output and Abatement

Week 3: The Instruments of Environmental Policy

Field and Field Ch. 3,5

- Taxation
- Subsidies
- Tradable emission permits
- Voluntary agreements

Week 4: Environmental Policy and Market Structure

Xepapadeas Ch. 2,5

- Output market structure and environmental policy
- The performance of environmental policy instruments in non-perfectly competitive markets

Week 5: Optimal Regulation of Polluting Monopolies

Xepapadeas Ch. 2,5

- Regulation of natural monopolies
- How to avoid the underprovision of the final good

Week 6: Information Asymmetries and Environmental Regulation

Xepapadeas Ch. 4

- Adverse selection (hidden information) regarding abatement costs

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Week 7: Mechanism Design for Environmental Policy

Xepapadeas Ch. 4

Week 8: Environmental Policy and Space

Xepapadeas Ch. 2

- The spatial dimension of an environmental problem
- The location of an emission source and the concentration of pollutants

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Week 9: Environmental Policy and Time

Instructor's notes

The intertemporal efficient allocation of emissions

Week 10: Production Externalities and Coase's Theorem

Xepapadeas Ch. 2, Field and Field Ch. 4

Week 11: International Environmental Agreements

Xepapadeas Ch. 6, Field and Field Ch. 19

Week 12: An Introduction to the Economics of Energy Markets/ Presentation of the Assignments

Instructor's notes

Week 13: Recap and Preparation for the Exam

ENVIRONMENTAL ECONOMICS - OIK3104

Course Objectives	The course intends to provide the students with the theoretical background needed to analyze how environmental policies work in a changing reality. We consider a variety of different types of environmental problems, such as climate change, biodiversity losses and water and air quality degradation. The course includes analysis and comparison of different types of environmental policies - command and control, economic instruments, and voluntary agreements - under consideration of risk, uncertainty and time delays with respect to links between human activities and environmental response.
Course Web Page	http://econservices.soc.uoc.gr/econ_classes/course/view.php?id=48
Prerequisites	Sufficient knowledge of microeconomics (consumer theory, firms' behavior, market structure), basic game theory and knowledge of basic differential calculus.
Learning Outcomes and General Competencies	On successful completion of the course, the students will be able to: • understand the interactions between economic and ecological system, • select the most appropriate among policy tools to address each problem, • compare alternatives and evaluate proposals.
Assessment method	The assessment is based on a midterm (30%) and a final exam.
Tutoring courses	Not offered
Basic textbook	Tietenberg T., Lewis L. (2010). **Environmental and Natural Resource Economics**, Gutenberg Publishing, Athens (in Greek). Tietenberg T., Lewis L. (2018). **Environmental and Natural Resource Economics (11th edition)**, Routledge, New York.
Supplementary material	Instructor Notes (2022). **Lecture Notes (in Greek) by the instructor**, Rethymno.

Kolstad, Ch.D. (2010). **Environmental Economics (2nd edition)**, Oxford University Press, Oxford.

Perman, R., Ma Y., Common M, McGilvray, J. (2003). **Natural Resources and Environmental Economics (3rd edition)**, Pearson, USA.

Cropper, Maureen L., and Wallace E. Oates (1992). **Environmental Economics: A Survey**, Journal of Economic Literature 30: 675-740, USA.

Course load per semester (in hours)	Lectures	Tutorials	Individual effort	Total
	39	0	111	150

Lectures

Week 1: Introduction: Environmental economics and the role of the government

Tietenberg & Lewis ch. 1, Kolstad ch. 1, Perman et al. ch. 1-2 & 4

- Economy–environment interdependence.
- The drivers of environmental impact.
- Concepts of sustainability.
- Costs of environmental protection.

Week 2: Social choice

Kolstad ch. 3

- How much environmental protection?
- Voting, Social welfare, Impossibility.

Week 3: Benefit-cost analysis

Tietenberg & Lewis ch. 3, Kolstad ch. 6-7

- Measuring the effects of environmental decisions.
- Social discount rate.
- Demand for environmental goods.

Week 4: Revealed preference methods

Kolstad ch. 8-9

- Hedonic prices: pollution and land rents; land prices and wages.
- Defensive expenditure; travel cost.

Week 5: Market failure

Tietenberg & Lewis ch. 2, Kolstad ch. 5, Perman et al. ch. 5

- Efficiency and competitive markets.
- Efficient and market provision of public goods; pricing public goods.

Week 6: Externalities and property rights

Tietenberg & Lewis ch. 2, Kolstad ch. 13

- Coase and assignment of rights.
- Coase theorem.
- Bargaining problems.

Week 7: Pollution control: targets

Tietenberg & Lewis ch. 14, Kolstad ch. 11, Perman et al. ch. 6-7

- The efficient level of pollution.
- Criteria for choice of pollution control instruments.
- Cost efficiency and cost-effective pollution abatement instruments.
- Pollution control: instruments for achieving pollution abatement targets.
- Command and control instruments.

Week 8: Pollution control: instruments II

Tietenberg & Lewis ch. 14, Kolstad ch. 12, Perman et al. ch. 7

- Emission prices and fees.
- Monopoly and subsidies.
- Double dividend.

Week 9: Pollution control: instruments III

Kolstad ch. 13, Perman et al. ch. 7

- Marketable emissions permits.

- The initial allocation of permits, determination of the equilibrium market price of permits.

Week 10: A comparison of the relative advantages of command and control, emissions tax, emission abatement subsidy and marketable permit instruments

Perman et al. ch. 7 + lecture notes

- Cost-efficiency.
- Monitoring, administering and enforcing compliance.

Week 11: International environmental problems

Perman et al. ch. 10 + lecture notes

- International environmental cooperation.
- Game theory analysis.
- Factors contributing to achieving a higher degree of cooperation.

Week 12: Asymmetric information

Kolstad ch. 15

- Unknown control costs.
- Permits vs fees.
- Obtaining information.

Week 13: Review of the course and exam preparation

ECONOMIC GROWTH I - OIK3110

Instructors	Kalaitzidakis Pantelis

Course Web Page	https://econservices.soc.uoc.gr/econ_classes/course/view.php?id=38

Basic textbook

Supplementary material

Course load per semester (in hours)	Lectures	Tutorials	Individual effort	Total
	39	0	111	150

Lectures

LABOUR ECONOMICS II - OIK4105

Course Objectives	The objective of this seminar is to profoundly revise and extend the learning material of the course Labour Economics (OIK 3111) by means of a written assignment/working paper – under the tutor's directive assistance – on the part of each student (or a number of students working in a group) on topics regarding various Microeconomic and Macroeconomic aspects of the contemporary labour markets
Course Web Page	http://econservices.soc.uoc.gr/econ_classes/enrol/index.php?id=43
Prerequisites	Sufficient knowledge of – fundamental – Microeconomics & Macroeconomics, and basic skills of differential calculus and analytical geometry. However, if a selection procedure is needed for the limited seminar slots (up to 21) be allocated to the interested students, priority would be given to those who have successfully completed the course Labour Economics (OIK 3111)

Learning Outcomes and General Competencies

On successful completion of their written assignments, students will be able to:

- Unfold and identify their working issue by coherently relating it with the real life's stylized facts.
- Systematically trace out – by means of descriptive statistics and graphs – the data which may identify the major causes, as well as the most significant parameters, of the phenomena under examination.
- Work out an extensive review of the relevant theoretical and/or empirical literature.
- As much analytically develop a basic model, and enrich their documentation by also referring to alternative models, which can tentatively explain the real life's stylized facts
- Deduct conclusions by – as above – combining theoretical and empirical documentation, and spell out relevant public policies which may be used.
- Propose an issue, or a topic, to be further examined, as well as the methodology of approaching it, based upon the findings of their ongoing study/assignment.
- By means of a Power Point Presentation, present and explain in the classroom the – as above – main ingredients of their work, as much informatively answer to the audience's raised questions, and evaluate/incorporate the relevant comments made up, in order to improve their written assignment's final draft.

Regarding the acquired general skills, students will be able to:

- Search, analyze, combine and compose, data and information elements, by making use of the available tools and technology.
- Work collectively
- Adapt to new circumstances
- Produce ideas for/design further research

Assessment method

Seminar requirements

The seminar is structured across 13 weeks. Attendance in any week is compulsory for all students. The assignments undertaken by the students can be: **(a) Personal**/student specific. **(b) Collective**/group specific. An assignment can be in the form of: **(i)** a

theoretical working paper, that is to deal with a specific topic in theory – by means of either constructing a simple model, or simulating a model contained in a published paper, or performing an extensive survey of the relevant literature – **(ii)** a (small) **empirical** project, where students must identify and explore the evolution and the trends of critical dimensions and outcomes of the labour market in some particular sector, region, or national/international macroeconomic entity (for example, the Euro zone), and evaluate their findings on the basis of the economic theory.

Assessment

- The case (i) assignments must be in pdf, with text and (wherever applies) diagrammatical and mathematical analysis incorporated in the same file. The case (ii) assignments must be in ppt – with graphs of descriptive statistics – and incorporated text in the same file.

- The assignments' presentations in the classroom are taking place during the seminar's last three weeks, and any student or working group has up to 30 minutes, for the presentation, and up to 20 minutes to respond/answer to comments/questions raised by the audience.

- After the presentation in the classroom, every student/working group – considering the comments/questions raised by the audience as well as the tutor's suggestions – must prepare the final version of his/her/their written assignment and upload it to the seminar's electronic page till the end of the relevant examination period (i.e., by the end of June when the seminar is held during the Spring semester). In this final version, any comments/suggestions raised during the presentation, as well as any amendments made in response, must have been incorporated in a separate section/appendix

- The students' final grade for the course/seminar is based upon assessment of: 20% for the comments/suggestions made to their colleagues' assignments, 30% for the presentation in the classroom, and 50% for the written assignment (per se).

- In case that the final version of the written assignment is delayed/delivered after the end of the relevant examination period, it will be considered for assessment in the second examination period (i.e., in September), and charged by a penalty equal to (minors) 30% of the final grade.

Directions for a written assignment
Case (i) – theoretical working papers

- The first part of the working paper must clearly raise the issue to be examined and, as much as possible, relate it to real –life stylized facts.

- The second part of the working paper must contain an informative survey of the relevant scientific literature.

- The third part of the working paper must analytically present the basic model or (in the case(s) of a literature-survey, or of a model-simulating, working paper) the most influential models regarding the theoretical reasoning/explanations behind the real –life stylized facts.

- The third part of the working paper must present the findings of the foregoing analysis, and possibly suggestions for further research.

Case (ii) – (small) empirical projects

- The first part of the empirical project must specify the issue as well as the field and the time span of the proposed investigation (for instance, examining the unemployment trends in the region of Crete, 2000-2017). It must also contain a short presentation of the theoretical framework on the basis of which the emerging facts and trends can be explained.

- The second part of the project must contain a review of the available empirical contributions which are relevant with the project's issue.

- The third part of the project must extensively present – by use of descriptive statistics graphs and indicators – the stylized facts which identify the major dimensions of – and causes behind – the examined phenomena. For that, the students must search for and retrieve original data from various data sources
- The fourth part of the project must present the findings of the foregoing research – and coherently suggest possible policies – by means of a SWOT analysis format.

Tutoring courses

Not offered.

Basic textbook

Lianos, Th. & Daouli-Demousi, A. (1998). **Labour Economics**, Benos Publishing, Athens (in Greek).

Layard R., Nickell, S. Jackman, R. (1993). **Unemployment: Macroeconomic Performance and the Labour Market**, Oxford University Press, Oxford.

Booth, A. (1996). **The Economics of the Trade Union**, Cambridge University Press, USA.

(2016). **Lecture Notes (in Greek) on Labour Economics (OIK3111) by the tutor (can be found in the course's electronic page)**, Rethymno.

Ehrenberg, R. & Smith, R. (2017). **Labour Economics, Modern Approach to Theory and Public Policy**, Broken Hill Publishing, Nicosia (in Greek).

Course load per semester (in hours)

Lectures	Tutorials	Individual effort	Total
52	0	88	140

Lectures

Week/Lecture 1 - Week/Lecture 7:

- Determination and Allocation of the assignments' themes/topics, across students/groups of students, foundation of the necessary learning material – by means of focused lectures

in the classroom – directions and assistance for research, etc.

Week/Lecture 8 - Week/Lecture 10:

- Classroom meetings for monitoring and evaluating the assignments' working progress, provision of further guidance, information and directions on the part of the tutor.

Week/Lecture 11 - Week/Lecture 13:

- Presentation in the classroom of the first version of all written assignments, comments/ suggestions, on the part of the audience, points of attention and suggested corrections on the part of the tutor.

MONETARY THEORY I - OIK3109

Course Objectives

The aim of the course is the analysis and interpretation of contemporary economic phenomena through the prism of monetary theory and policy. The growth rate of money supply is closely related to the output growth, consumption, and inflation. In addition, money supply and demand affect the determination of interest rates which in turn affect economic activity. The first part of the course focuses on money demand theories as well as on money supply, while the second analyses the implementation of monetary policy.

Course Web Page

http://econservices.soc.uoc.gr/econ_classes/course/view.php?id=37

Prerequisites

Sufficient knowledge of Macroeconomics is required (courses ECO1002, ECO2001)

Learning Outcomes and General Competencies

On successful completion of the course, the students will be able to:

- Understand how money supply affects macroeconomic variables.
- Understand the role of money demand on alternative theories.
- Understand the structure of the financial system.
- Understand how monetary policy is applied by Central Banks.
- Understand the special characteristics of monetary policy in a monetary union.
- Develop critical thinking about the effectiveness of monetary policy.

Assessment method

The assessment is based on a final exam.

Tutoring courses

Not offered for this course.

Basic textbook

Supplementary material

Course load per semester (in hours)	Lectures	Tutorials	Individual effort	Total
	39	0	111	150

Lectures

Week 1: An Introduction to Monetary Theory

Papadopoulos, ch. 1, 2

- Basic concepts
- Types of Money
- The Role of Money

Week 2: Money Characteristics

Papadopoulos, ch. 3

- Technical definition of money
- The properties of money

Week 3: Money Demand Theories I: Traditional Models

Papadopoulos, ch. 4

- Introduction
- The Quantity Theory Of Money
- Cambridge School
- Friedman

Week 4: Money Demand Theories II: Traditional Models

Papadopoulos, ch. 4

- Keynes and Money Demand
- Demand for Transactional Reasons

Week 5: Money Demand Theories III: Alternative Models

Papadopoulos, ch. 5

- Introduction
- Alternative Formulations of the Quantity Theory

Week 6: Money Demand Theories IV: Alternative Models

Papadopoulos, ch. 5

- Risk Aversion Models

Week 7: Empirical Issues I

Papadopoulos, ch. 6

- Introduction
- Basic Econometric concepts

Week 8: Empirical Issues II

Papadopoulos, ch. 6

- Cointegration analysis
- Methodological issues
- The Greek and the International Experience

Week 9: Money Supply I

Papadopoulos, ch. 7

- Introduction
- Money Multiplier

Week 10: Money Supply II

Papadopoulos, ch. 7

- Tobin's View
- Money Supply Control

Week 11: Money Supply III

Lecture Notes

- Closed Economy
- Open Economy
- Monetary Union

Week 12: Monetary Policy in the Eurozone

Lecture Notes

- ECB
- Monetary Policy Targets
- Monetary Policy Instruments
- Asymmetric Shocks

Week 13: Review

- Questions and answers
- Final exam details

FINANCIAL ANALYSIS I - OIK3206

Course Objectives

The objective of this course is to review rigorously and concisely the main themes of financial economics. Particular emphasis is placed on the theory of expected utility, the basic economic theory that describes how investors make decisions under uncertainty. Our endeavor requires an understanding of three building blocks: 1) how financial risk is defined and measured, 2) how an investor's attitude toward or tolerance for risk is to be conceptualized and then measured, 3) how investors' risk attitudes interact with the subjective uncertainties associated with the available assets to determine an investor's desired portfolio holdings (demands). To this end, we make the appropriate assumptions regarding the investor's preferences and/or the distribution of returns on assets, we move on to the mean-variance analysis in order to define the efficient frontier and we discuss how the optimal portfolio for the investor is selected.

Finally, special emphasis is given to the valuation of assets, which is the main focus of modern finance. We emphasize the distinction between valuation procedures that rely on general equilibrium principles and those based on arbitrage considerations. The traditional equilibrium approach consists of an analysis of the factors determining the supply and demand for the cash flow (asset) in question. The arbitrage approach attempts to value a cash flow on the basis of observations made on the values of the various elements making up that cash flow. In the first category, we present the CAPM and the Consumption-CAPM equilibrium models, whereas in the latter, we present the Arbitrage Pricing Theory Model and we discuss the Arrow-Debreu securities.

Instructors

Daskalaki Charoula

Course Web Page

http://econservices.soc.uoc.gr/econ_classes/course/view.php?id=100#section-0

Prerequisites

Sufficient knowledge of mathematical calculus (eg optimization with / without constraints, linear algebra) and statistics (eg random variables, probability distributions and their moments) is required.

Learning Outcomes and General Competencies

On successful completion of the course, the students will be able to:

- Recognize the difference between making decisions under certainty and under uncertainty.
- Understand the theory of expected utility and its limitations.
- Understand how the investor's risk aversion can be quantified.
- Construct the efficient frontier under various assumptions.
- Define the optimal portfolio for the investor depending on his/her attitude towards risk.
- Distinguish the differences between equilibrium models and arbitrage models.
- Understand the concept of the stochastic discount factor.
- Understand the concept of market completeness.
- Distinguish the differences between the one-period model and the multi-period models.

Assessment method

The assessment is based on a written exam held upon completion of a course at the end of the semester.

Tutoring courses	Tutorials are not offered for this course.
Basic textbook	Danthine, J., and J. Donaldson (2014). **Intermediate Financial Theory (3rd Edition)**, Elsevier,
	Pennacchi, G. (2008). **Theory of Asset Pricing**, Pearson Addison Wesley,
Supplementary material	Cochrane, J. H (2009). **Asset Pricing (Revised Edition)**, Princeton University Press, USA.
	Copeland, T., Weston, J. and Shastri, K. (2005). **Financial Theory and Corporate Policy**, Addison-Wesley Publishing Company,
	Elton, E. J., Gruber, M. J., Brown, S. J. and Goetzmann, W.N. (2010). **Modern Portfolio Theory and Investment Analysis (10th Edition)**, John Wiley & Sons,
	(2023). **Lecture Notes (in Greek) by the Instructor (can be found in the course's electronic page).**, Rethymno.

Course load per semester (in hours)	Lectures	Tutorials	Individual effort	Total
	39	0	111	150

Lectures

Week 1: Making Choices in Risky Situations

(Lecture notes, Danthine & Donaldson, ch. 3, Pennacchi, ch.1)

- Choosing Among Risky Prospects: Preliminaries
- A Prerequisite: Choice Theory Under Certainty
- The Expected Utility Theorem
- How Restrictive Is Expected Utility Theory? The Allais Paradox

Week 2: Measuring Risk and Risk Aversion

(Lecture notes, Danthine & Donaldson, ch. 3-4, Pennacchi, ch.1)

- Measuring Risk Aversion: Risk averse, Risk lovers and Risk neutral investors.
- Interpreting the Measures of Risk Aversion: Absolute and Relative Risk Aversion, Constant Absolute Risk Aversion Utility Functions, Constant Relative Risk Aversion Utility Functions.
- Risk Premium and Certainty Equivalence
- Jensen inequality and Taylor series expansions.

Week 3: Stochastic Dominance

(Lecture notes, Danthine & Donaldson, ch. 4)

- The Concept of Stochastic Dominance
- First-order stochastic dominance (FSD): Definition, Theorem, Proof.
- Second-order stochastic dominance (SSD): Definition, Theorem, Proof.
- Interpreting FSD and SSD.
- Mean-preserving spreads.

Week 4: Risk Aversion and Investment Decisions

(Lecture notes, Danthine & Donaldson, ch. 5)

- Risk Aversion and Portfolio Allocation: Risk-Free Versus Risky Assets.
- Portfolio Composition, Risk Aversion, and Wealth.
- Risk Aversion and Risky Portfolio Composition.
- Risk Aversion and Savings Behavior.
- Generalizing the VNM-Expected Utility Representation.

Week 5: Modern Portfolio Theory, Part I

(Lecture notes, Danthine & Donaldson, ch.6, Pennacchi, κεφ.2,Cochrane, ch.5)

- More about Utility Functions and Return Distributions: Defining the Normality-of-Returns Assumption.
- Description of the Opportunity Set in the Mean-Variance Space: The Gains from Diversification and the Efficient Frontier.
- The Shape of the Efficient Frontier: Two Assets, Alternative Hypotheses: Perfect Positive Correlation, Imperfectly Correlated Assets, Perfect Negative Correlation, One Riskless and One Risky Asset

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Week 6: Modern Portfolio Theory, Part II

(Lecture notes, Danthine & Donaldson, ch.6, Pennacchi, ch.2, Cochrane, ch.5)

- Indifference Curves Under Quadratic Utility or Normally Distributed Returns: Derivation

and Proof

- The Optimal Portfolio: A Separation Theorem, Derivation and Proof.
- Stochastic Dominance and Diversification.

Week 7: The Capital Asset Pricing Model, CAPM

(Lecture notes, Danthine & Donaldson, ch.8, Pennacchi, ch.3, Cochrane, ch.9)

- The Traditional Approach to the CAPM: Assumptions and their Interpretation.
- Characteristics of the tangency portfolio.
- Proof of the CAPM Relationship.
- Valuing Risky Cash Flows with the CAPM.
- An Empirical Assessment of the CAPM.

Week 8: The Consumption Capital Asset Pricing Model, CCAPM

(Lecture notes, Danthine & Donaldson, ch.10, Pennacchi, ch.4, Cochrane, ch.1-2)

- Consumption and Portfolio choices
- An asset pricing interpretation: Risk premia and Marginal Utility of Consumption
- The relationship to CAPM.

Week 9: Arbitrage Pricing Theory, APT

(Lecture notes, Danthine & Donaldson, ch.14, Pennacchi, ch.3, Cochrane, ch.9)

- Factor Models: A First Illustration
- The APT: A Formal Statement
- Advantage of the APT for Stock or Portfolio Selection
- The relationship to CAPM

Week 10: Complete Markets

(Lecture notes, Danthine & Donaldson, ch. 9 και 11, Pennacchi, ch.4)

- Complete markets: Assumptions
- Arrow-Debreu securities
- Risk-Neutral Valuations
- Market Completeness and Complex Securities

Week 11: A multiperiod discrete-time model of consumption and portfolio choice

(Lecture notes, Pennacchi, ch.5)

- Assumptions and notations: preferences, dynamics of wealth.
- Soving the multiperiod model: The final period solution, Deriving the Bellman equation, the general solution.

Week 12: Multiperiod Market Equilibrium

(Lecture notes, Pennacchi, ch.6)

- Asset pricing in Multiperiod model.
- The multiperiod pricing kernel.
- Equilibrium Asset Pricing Models.

Week 13: Revision Week

MACROECONOMIC FLUCTUATIONS AND POLICIES - OIK3117

Course Objectives

The objective of this course is to present the basic tools for analysing macroeconomic fluctuations and economic policies using these tools on a number of important issues that have arisen in the present period. We will examine how recessions and crises are spread. What tools do central banks and governments have to stimulate economic activity when private demand is insufficient? We will examine the effectiveness of monetary policy in the aftermath of the Great Recession and how modern economies will escape the "liquidity trap". In this case, the role of "unconventional economic policies" in achieving full employment will be examined. In addition, it will be examined if price flexibility is desirable during economic crises, what should be the appropriate reaction of policy makers and how will households and firms react. These issues will be addressed in these lectures.

Instructors

Apostolakis George

Course Web Page

https://econservices.soc.uoc.gr/econ_classes/enrol/index.php?id=131

Prerequisites

Sufficient knowledge of Monetary Theory I (OIK3109), Macroeconomic Theory III (OIK2004), Advanced Macroeconomics (OIK3112).

Learning Outcomes and General Competencies

The aim of the course is the analysis and interpretation of modern economic phenomena, expanding his knowledge with recent tools and theories of Macroeconomics. On successful completion of the course, the students will be able to:

- Understand how output, employment, inflation and interest rates are simultaneously determined in the New Keynesian analysis
- Understand the definition and role of Aggregate Demand.
- Understand the definition and role of Aggregate Supply
- The General Macroeconomic Equilibrium and the transmission of Macroeconomic Shocks.
- Understand the role of monetary policy.
- Understand the role of fiscal policy.
- To know the exercise of unconventional economic policies
  The general skills that the student will acquire upon completion of the course are as follows:
- Decision making.
- Promoting scientific abstraction.
- Promoting inductive thinking.
- Adaptation to new situations.
- Exercise critique and self-criticism.

Assessment method

The assessment is based on a final written evaluation during the regular and re-examination period of the Department of Economics.

| Tutoring courses | Not offered. |

| Basic textbook | Edouard Challe (2023). **Macroeconomic Fluctuations and Policies**, MIT Press, Cambridge, USA. |

Supplementary material	Romer, D. (2019). **Advanced Macroeconomics (5th Edition)**, McGraw-Hill, Berkeley, USA.
	A. Varoudakis – M. Sidiropoulos (2021). **Macroeconomics in Practice**, Gutenberg, Athens.
	(2023). **Lecture notes (in English) by the instructor can be found on the course's electronic page.**,

Course load per semester (in hours)	Lectures	Tutorials	Individual effort	Total
	39	0	111	150

Lectures	Week 1: Introductory Concepts in Measuring Real Business Cycles in the Context of Macroeconomic Analysis
	Week 2: Aggregate Demand I
	Week 3: Aggregate Demand II
	Week 4: Aggregate Supply I
	Week 5: Aggregate Supply II
	Week 6: AS-AD Equilibrium and the Propagation of Macroeconomic Shocks
	Week 7: The role of Monetary Policy I
	Week 8: The role of Monetary Policy II
	Week 9: Fiscal Policy
	Week 10: The Liquidity Trap

Week 11: Unconventional Monetary Policies

Week 12: Fiscal Policy and Structural Reforms in a Liquidity Trap

Week 13: Refresher course and Guidelines for the Written Exams

ECONOMICS OF MONETARY UNIONS - OIK3105

Course Objectives

The objective of this course is to study the special conditions under which monetary unions operate. In particular, the first part of the course discusses the costs and benefits arising from a common currency, examines the impact of asymmetric shocks on monetary unions and criticizes the theory of optimum currency areas. The second part of the course focuses on the analysis of the European Economic and Monetary Union (EMU).

Course Web Page

http://econservices.soc.uoc.gr/econ_classes/course/view.php?id=52

Prerequisites

Sufficient knowledge of Macroeconomics is required (courses ECO1002, ECO2001)

Learning Outcomes and General Competencies

On successful completion of the course, the students will be able to:

- Understand how monetary unions operate.
- Understand the benefits and costs for country-members of monetary unions.
- Classify the different types of monetary unions and the corresponding limitations.
- Understand how symmetric and symmetric shocks affect country-members.
- Understand the structure and the weaknesses of the EMU.
- Develop critical thinking about the effectiveness of monetary policy in monetary unions.

Assessment method

The assessment is based on a final exam.

Tutoring courses

Not offered for this course.

Basic textbook

Supplementary material

Course load per semester (in hours)

Lectures	Tutorials	Individual effort	Total
39	0	111	150

Lectures

Week 1: The Costs of a Common Currency

De Grauwe, ch. 1

- Optimum Currency Areas
- Symmetric and asymmetric shocks
- Country-members heterogeneity

Week 2: A critique on the Theory of Optimum Currency Areas, part 1

De Grauwe, ch. 2

- Country-members characteristics
- Nominal and real currency undervaluation

Week 3: A critique on the Theory of Optimum Currency Areas, part 2

De Grauwe, ch. 2

- Barro-Gordon model
- Optimal stabilization policy

Week 4: The Benefits of a Common Currency

De Grauwe, ch. 3

- Direct benefits
- Indirect benefits
- Welfare benefits

Week 5: Comparing Costs and Benefits, part 1

De Grauwe, ch. 4

- The Monetarist view
- The Keynesian view

Week 6: Comparing Costs and Benefits, part 2

De Grauwe, ch. 4

- The European Commission view
- The Krugman view

Week 7: Incomplete Monetary Unions

De Grauwe, ch. 5

- The reliability problem
- The "n-1" problem

Week 8: Transition Process Towards a Monetary Union

De Grauwe, ch. 6

- Convergence criteria
- Technical problems

Week 9: European Central Bank

De Grauwe, ch. 7

- Institutional framework
- Independence
- Supervision

Week 10: Monetary Policy and EMU

De Grauwe, ch. 8

- Asymmetric shocks
- Optimum Currency Areas
- ECB's strategy
- ECB's policy instruments

Week 11: Fiscal Policy and EMU

De Grauwe, ch. 9

- Fiscal policy in optimum currency areas
- Budget deficit
- Fiscal discipline
- Stability pact

Week 12: Monetary Union and Financial Markets

De Grauwe, ch. 10

- Bond markets integration
- Stock markets integration
- Banking systems integration

Week 13: Review

- Questions and answers

LABOUR ECONOMICS I - OIK3111

Course Objectives

The objective of this course is to convey to the students the methodology of approach and the tools of analysis regarding the functioning of the modern labour markets in a contemporary international context. The scope of the course primarily regards the determination of wages and employment, under alternative premises regarding the structure and the institutional framework of the labour and the product market (s) – coherently – as well as special relevant topics. Such as, flexible labour time and overtime remunerations, pension and social welfare programs, minimum wages and unemployment benefits, labour market discrimination and international labour mobility, etc. A thorough understanding of these learning blocks is in turn necessary in order the macroeconomic aspects of the labour market to be solidly founded and, thus, the issues of unemployment and inflation to be as much realistically explored in the continuation of the course.

Course Web Page

http://econservices.soc.uoc.gr/econ_classes/enrol/index.php?id=40

Prerequisites

Sufficient knowledge of fundamental Microeconomics and Macroeconomics, and basic skills of differential calculus and analytical geometry.

Learning Outcomes and General Competencies	On successful completion of the course, students will be able to:

Learning Outcomes and General Competencies

On successful completion of the course, students will be able to:

- Explain the functioning of the modern labour markets, identify and sort their institutional features, and cohere the latter with the stylized facts.
- Combine the definitions and the basic notions with the tools and the methodology of analysis with a view to successful transition from theory to practice, so that to evaluate and design market-intervention policies in the labour market(s).
- Establish and specify functions of labour demand and labour supply in coherence with the theory of consumer behavior and the theory of production and costs, respectively.
- Identify, describe, cohere and interpret the competition/rivalry circumstances (perfect competition – Monopoly – Oligopoly – Monopsony) in both the labour and the product market(s), and evaluate the emerging outcomes.
- To deal – on the basis of Economic Theory – with special topics that relate to the labour market, such as: Social/Public Policy, Discrimination, Pensions, Minimum Wages, etc.
- Identify, describe, cohere, interpret and evaluate the goals, the collective/economic character, and the economic effects of the interaction/bargaining between Labour Unions and Employers' Associations, as well as of the structure of Collective Negotiations and Contracts, in the local, sectoral, national and international level.
- Competently relate – and consistently cohere – the Microeconomic, Macroeconomic, and Institutional, dimensions of the labour market, so that to unfold the emerging outcomes under alternative structures.
Regarding the acquired general skills, students will be able to:
- Search, analyze, combine and compose, data and information elements, by making use of the available tools and technology.
- Make Decisions
- Adapt to new circumstances
- Produce ideas for further research

Assessment method

The assessment is based on a written exam (in the form of multiple choice questions) held upon the completion of the course at the end of the semester.

Tutoring courses

Not offered for this course.

Basic textbook

Course load per semester (in hours)

Lectures	Tutorials	Individual effort	Total
39	0	111	150

Lectures

Week/Lecture 1: Introduction

- Definitions, notions and methodology

Week/Lecture 2: Labour Supply 1

- Foundation and analysis of labour supply

Week/Lecture 3: Labour Supply 2

- Specifications of labour supply
- Special topics in labour supply

Week/Lecture 4: Applications of the Labour Supply Analysis

- Pension models
- Social welfare programs

Week/Lecture 5: Labour Demand 1

- Production and costs theory and labour demand
- Specifications of labour demand

Week/Lecture 6: Labour Demand 2

- Special topics in labour demand
- Frictions in the labour market and labour demand

Week/Lecture 7: The basic Microeconomics of Wage and Employment Determination

- Perfect competition in both the product and the labour market(s)
- Monopoly in the labour and/or the product market(s)
- Monopsony in the labour market
- Bilateral monopoly – introduction to collective negotiations

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Week/Lecture 8: Labour Unions and Collective Negotiations 1

- Labour unions, firms, employers' associations, and collective negotiations

- "Right-to Manage" bargaining

Week/Lecture 9: Labour Unions and Collective Negotiations 2

- Efficient bargains
- The wage and employment effects of labour unions and collective negotiations
- Labour unions/collective negotiations and the Macro-economy

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Week/Lecture 10: Special Topics in Labour Economics 1

- Labour mobility and migration
- Discrimination in the labour market

Week/Lecture 11: Special Topics in Labour Economics 2

- Equal versus equivalent remunerations
- Effects of international trade and globalization in the labour market(s)

Week/Lecture 12: The Macroeconomic Perspective of the Labour Market

- Unemployment/Employment and Inflation

Week/Lecture 13: Revisions and Exams Preparation

ECONOMIC GROWTH II - OIK4106

Instructors Kalaitzidakis Pantelis

Course load per semester (in hours)

Lectures	Tutorials	Individual effort	Total
52	0	93	145

Lectures

URBAN AND REGIONAL ECONOMICS - OIK3114

Course Objectives

The purpose of the course is to highlight and analyze the importance of location in the analysis of the economic behavior of producers, consumers and businesses and to enable participants to understand the wide range of relationships between economics and location. Specifically, it demonstrates the role of economics in the formation and development of cities and regional centers of residential and productive nature, the interdependence of urban and regional economic issues in relation to their geographical location, as well as the role played by urban and rural regions in the modern era of globalization.

The objective of the course is achieved by examining theoretical urban and regional models that adopt a more microeconomic approach, such as, for example, models concerning the locational behavior of firms, the emergence of urban concentrations and clusters of economic activities, and patterns of location and dispersion of economic activities. Also, theoretical urban and regional models that adopt a more macroeconomic approach are examined, such as, for example, models concerning the role played by the links between businesses and activities in a region and the impact of these links on the total product of the region, as well as models concerning the behavior of spatial labor markets and their relationship with inter-regional migration flows. Finally, the nature and practice of urban and regional policy in the context of modern globalization is examined.

Course Web Page

https://econservices.soc.uoc.gr/econ_classes/course/view.php?id=105

Prerequisites

Basic principles of Microeconomics and Macroeconomics.

Learning Outcomes and General Competencies

Upon successful completion of the course, participants are expected to possess the following knowledge:

- Good knowledge of the basic models of Urban and Regional Economics.
- Knowledge of the Weber model with mathematical positioning optimization.
- Urban and regional zoning analysis with spatial price differentiation.
- Interregional price equilibrium and labor mobility.
- Spatial analysis with the Moses model and input substitution.
- Critical thinking and understanding of the drivers of urban and regional agglomeration and development.
- Ability to autonomous position and proposals on current and timeless urban and regional economic issues.

Estimated general skills:

- Inductive thinking.
- Spatial environment analysis.
- Spatial optimization analysis.
- Decision making.
- Independent research.
- Scientific method.

Assessment method	The assessment is based on a final written exam.

Tutoring courses	There are no tutorial sessions for this course.

Basic textbook	McCann, Ph. (2016). **Urban and Regional Economics**, Kritiki Publishing, Athens (in Greek).

Supplementary material	Skoundzos, Th (2005). **Regional Economic Analysis and Policy**, Stamoulis Publishing, Athens (in Greek).
	Konsolas, N. (1997). **Contemporary Regional Economic Policy**, Papazisis Publishing, Athens (in Greek).
	Krugman, P. (2002). **Development, Geography, and Economic Theory**, MIT Press, Cambridge, Mass..
	McDonald, J.F. and McMillen, D.P. (2011). **Urban Economics and Real Estate, Theory and Policy**, Blackwell, Cambridge, Mass..

Course load per semester (in hours)

Lectures	Tutorials	Individual effort	Total
39	0	111	150

Lectures

Week 1: Theoretical models of industrial location (Part I)

McCann, Ch. 1

- Classical and neoclassical models of industrial location.

Week 2: Theoretical models of business location (Part II)

McCann, Ch. 1

- Market area analysis.

Week 3: Concentration and clusters of economic activities (Part I)

McCann, Ch. 2

- Concentration and clusters of economic activities.
- Concentration economies.

Week 4: Concentration and clusters of economic activities (Part II).

McCann, Ch. 2

- Clusters of activities, clusters of people, evolution of clusters.

Week 5: Patterns of location and dispersion of activities (Part I)

McCann, Chapter 3

- Business dispersion.

Week 6: Patterns of location and dispersion of activities (Part II)

McCann, Chapter 3

- New Economic Geography.
- The order-of-magnitude rule.

Week 7: Regional specialization, trade and multiplier analysis (Part I)

McCann, Chapter 5

- The financial base model.
- Identification of core and non-core areas.

Week 8: Regional specialization, trade and multiplier analysis (Part II)

McCann, Chapter 5

- The Keynesian regional multiplier.
- Impact analysis.

Week 9: Regional and interregional analysis of the labor market (Part I)

McCann, Chapter 6

- Wages and regional labor markets.

Week 10: Regional and interregional analysis of the labor market (Part II)

McCann, Chapter 6

- Interregional labor migration.

Week 11: Analysis of urban and regional policy in the context of modern globalization (Part I)

McCann, Chapter 10

- Contemporary analysis of urban economic policy.

Week 12: Analysis of urban and regional policy in the context of modern globalization (Part II)

McCann, Chapter 10

- Contemporary analysis of regional economic policy.

Week 13: Review and Preparation for Final Exams