

E210 Microeconomics II

University of Tübingen

School of Business and Economics

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Content & Objectives:

This course revisits core microeconomic tools (consumer and producer problems), with the goal of applying micro modeling techniques to public economic problems. A particular goal is to study the role of the government in the market economy. For this, we first introduce a frictionless benchmark economy. In November and December, we discuss different forms of market failure. In January, we will focus on the economics of taxation.

Lecture outline (14 lectures):

1. Introduction
2. The consumer economy
3. The producer economy
4. Economic modeling and public economics
5. Externalities
6. Public goods
7. Fiscal federalism
8. Imperfect competition
9. Asymmetric information
10. Summary session I
11. Taxation I – Introduction
12. Taxation II – Deadweight loss of taxation
13. Taxation III – Tax incidence analysis
14. Summary session II

Prerequisites:

The course targets Bachelor students in Economics/Business programs. **E170 Microeconomics I** is required. The course is taught in English.

Credits:

6 ECTS.

Method of Assessment

- **Written exam (90 minutes)** at the end of the semester.
- The exam consists of three parts:
 1. **Part 1 – Concepts and definitions (20 points)**
Short *true/false* questions testing your understanding of key ideas, terms, and basic mechanisms.
 2. **Part 2 – Short analytical questions (30 points)**
Short written answers: interpret graphs, compare concepts, and connect theory to real-world examples.
 3. **Part 3 – Mathematical problems (40 points)**
Structured problems requiring formal reasoning and clear presentation of each step as done in tutorials.
- The overall grade is based on the total score (maximum 90 points).
- You will be able to use a calculator but no “cheat sheet” is permitted.
- You can write the exam in German or in English, but you have to use the same language throughout the exam.
- In the last tutorial, a mock exam will be discussed.

Tutorials

- Start in the week of **October 19**; materials on ILIAS.
 - Monday 14:00-16:00 (H7 Alte Archäologie ESSC)
 - Tuesday 14:00-16:00 (H404 Geographie Hauptbau Rümelinstr. 23)
 - Wednesday 10:00-12:00 (0.04 Seminarraum 1, Nauklerstr. 35)
 - Thursday 14:00-16:00 (S320, Hölderlinstr./Sigwartstr.)

Registration

Please register on **ILIAS** to access slides and materials. Course password provided in first lecture.

Literature and Readings

There will be extensive lecture slides and additional explanations in lectures and tutorials. For additional reading, we recommend the following textbooks:

- Brümmerhoff, D. und T. Büttner (2015). Finanzwissenschaft, 11. Auflage, De Gruyter, Berlin.
- Gruber, J. (2019). Public Finance and Public Policy. 6th ed., Macmillan International, New York, NY.
- Hindriks, J. and G.D. Myles (2006). Intermediate Public Economics. MIT Press, Cambridge, MA.