

**THE UNIVERSITY OF HONG KONG**  
**FACULTY OF BUSINESS AND ECONOMICS**  
**School of Economics and Finance**  
**ECON6002: Selected Topics in Microeconomics**  
**First Semester 2016**

**Instructor**

PROFESSOR Wing Suen

COURSE WEBSITE: <http://www.sef.hku.hk/~wsuen/teaching/topics/>

LECTURES: Wednesdays, 9:30–12:20 at KK-LG102

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**Course Description and Objectives**

Different people bring different points of view to bear on a question. A person who makes all decisions based on his information alone would be making very bad decisions indeed. This is why delegation, expert consultation, committee deliberations, and voting are often used in making decisions at all levels of society. The sharing of information among a group of individuals, however, is plagued by divergent self-interests. It is in the self-interest of an individual to manipulate his evidence—to exaggerate favorable data that supports his preferred outcome, or conceal unfavorable data that works against it. This course explores to what extent communication is possible given the divergence of interests, and analyzes how the learning environment is shaped by the social environment. Examples will be drawn from stock recommendations, messages sent by central bankers, and media influence on politics. A variety of models, including cheap talk games, signaling models, rational herding, strategic voting, collective experimentation and Bayesian learning, are introduced along the way.

**Learning Outcomes**

The course is a course of economic theory, oriented toward the needs of Ph.D. students at the University of Hong Kong and to those of M.Econ. and undergraduate students who are either considering pursuing their studies at the Ph.D. level or want to taste advanced theory courses. Although the mathematical prerequisites are not very high (a good understanding of calculus is needed), this is a technical course: a solid economic intuition, the ability and the willingness to work through complicated theoretical arguments, and the willingness to work hard are necessary.

CLO1: students will understand the theories of organizations and economic perspectives on information transmission to a level such that they will be able to read current research literature in the field.

CLO2: develop the ability to read the current literature in economics through the in-class discussion of recent research literature.

**Alignment of Program and Course Learning Outcomes**

#### FACULTY GOALS

acquisition and internalization of knowledge of the program discipline  
 application and integration of knowledge

inculcating professionalism and leadership  
 developing global outlook  
 mastering communication skills

#### COURSE OUTCOMES

CLO1, CLO2; this is the main focus of the course

CLO1; the reasons for the abstractions used by the theory and the way in which the theory is used will be discussed

not a major focus of this course

not a major focus of the course  
 CLO2; students are expected to participate actively in class discussions

#### Teaching and Learning Activities

This course will rely on two main activities:

(TLA1) LECTURES: during which we will cover economic concepts and models. However, students are expected to participate actively in these lectures by questioning underlying assumptions.

(TLA2) CLASS DISCUSSION: a number of recent research papers will be discussed in class. Students will be expected to read these papers thoroughly before class, prepare presentations, and participate actively in the discussion.

#### Assessment

The final grade in the course will be based 10% on general class discussions, 40% on a class presentation project and a paper review, and 50% on the final exam.

COURSE OUTCOMES	TEACHING AND LEARNING ACTIVITIES	ASSESSMENT
CLO1	TLA1, TLA2	exams, class discussion, project
CLO2	TLA1, TLA2	exams, class discussion, project

## Standards for Assessment

GRADE	GRADE DEFINITION	DESCRIPTION
A+, A, A-	high distinction	Strong evidence of superb ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.
B+, B, B-	distinction	Strong evidence of the ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.
C+, C, C-	credit pass	Evidence of adequate ability to fulfill the intended learning outcomes of the course at low levels of learning such as describe and apply but not at high levels of learning such as evaluate and synthesis.
D	pass	Evidence of basic familiarity with the subject.
F	fail	Little evidence of basic familiarity with the subject.

## Academic Conduct

The University Regulations on academic dishonesty will be strictly enforced! Please check the University Statement on plagiarism on the web: <http://www.hku.hk/plagiarism/>. Academic dishonesty is behavior in which a deliberately fraudulent misrepresentation is employed in an attempt to gain undeserved intellectual credit, either for oneself or for another. It includes, but is not necessarily limited to, the following types of cases:

a. Plagiarism — The representation of someone else's ideas as if they are one's own. Where the arguments, data, designs, etc., of someone else are being used in a paper, report, oral presentation, or similar academic project, this fact must be made explicitly clear by citing the appropriate references. The references must fully indicate the extent to which any parts of the project are not one's own work. Paraphrasing of someone else's ideas is still using someone else's ideas, and must be acknowledged.

b. Unauthorized Collaboration on Out-of-Class Projects — The representation of work as solely one's own when in fact it is the result of a joint effort.

c. Cheating on In-Class Exams — The covert gathering of information from other students, the use of unauthorized notes, unauthorized aids, etc.

d. Unauthorized Advance Access to an Exam — The representation of materials prepared at leisure, as a result of unauthorized advance access (however obtained), as if it were prepared under the rigors of the exam setting. This misrepresentation is dishonest in itself even if there are not compounding factors, such as unauthorized uses of books or notes.

Where a candidate for a degree or other award uses the work of another person or persons without due acknowledgement:

1. The relevant Board of Examiners may impose a penalty in relation to the seriousness of the offence.

2. The relevant Board of Examiners may report the candidate to the Senate, where there is prima facie evidence of an intention to deceive and where sanctions beyond those in (1) might be invoked.

### **Course Outline**

1. Bayes' rule and applications (one week)
2. herding and social learning (two weeks)
3. cheap talk and strategic information transmission (three weeks)
4. collective search and experimentation (three weeks)
5. media and politics (two weeks)