Economics Year 2 Unit Selection, 2021/22

In Year 2 you will have the opportunity to deepen your understanding of core economic theory and policy implications but also start to develop and deepen your crucial quantitative skills. Be that in the area of mathematical economics or econometrics. In addition to this you will have the opportunity to take optional units which give you a first glimpse in exciting economic fields.

Where not mentioned otherwise all Economics units are 10 credit units.

You can find more details on all units via the [course unit information database](https://my.manchester.ac.uk/uPortal/f/mylearning/p/course-unit-info.u29l1n5206/max/render.uP?pP_location=%2FCourseUnitPublishing%2FCourseUnitDataFiles%2FECON%2F037896ECON101922020-07-291V6.xml&pP_action=viewCUDetails) (requires you to login).

# Core Economics Units

Depending on your degree programme you will either be studying on the Micro- and Macroeconomics units or on the Micro- and Macroeconomic Analysis units.

## Micro- and Macroeconomics

Single Economics specialists on the BA(ECON) will study Microeconomics 3 and 4 as well Macroeconomics 3 and 4. These will secure the maximum possible choice of options in Year 3.

If you are either a joint Economics specialist or study on a different specialisation or another programme you should consider studying on these units if you either want to have the largest possible choice of Economics Year 3 options, are considering to apply to an economics postgraduate programme or are just interested in understanding how modern economics allows you to think about important economic problems of our time.

## Micro- and Macroeconomic Analysis

If you are a BSc Economics student the Microeconomic Analysis 3 and 4 as well as the Macroeconomic Analysis 3 and 4 units are compulsory. By completing these units you will unlock all Economics Year 3 optional course units. So even if you are not on the BSc Economics you should consider completing this set of units in order to secure the maximum possible choice of options in Year 3.

# Mathematical Economics

[Video Overview](https://youtu.be/cerCSzX3TLw) (2:34 min)

In Year 2 you can study our core **ECON20120 Mathematical Economics I** unit (pre-requisite is that you took **ECON10192 Introduction to Mathematical Economics**). This is a full year 20 credit unit.

This unit is about mathematical modelling and analysis. Both of which constitute core skills of economists. The course unit develops students’ knowledge of mathematical and quantitative methods in the context of consumer theory, the theory of the firm, game theory and other subjects.

You will learn how to express an economic idea in mathematical terms. In addition you will learn mathematical methods how to find equilibria, and how to analyse the behaviour of equilibria when exogenous circumstances change. The techniques you will learn on this course are used in almost all branches of economics. The course content is really a universal (mathematical) toolbox for economic modelling.

Although we will look into economic applications, this course is not about learning new economics, it is about strengthening your formal mathematical toolbox to tackle economic issues in a variety of different areas.

# Econometrics

[Video Overview](https://video.manchester.ac.uk/faculties/dcfc56d26eb49a4a9b05f8883bae189f/dff0eabc-9743-47d0-87f8-b25269434cf1) (2:27 min)

Econometrics is the discipline of economics in which you use real-life data in order to investigate the validity and usefulness of economic theory or where you use economic data to uncover stylised facts which economic theory ought to tackle. It is also the field which will deliver the empirical tools used for economic forecasting.

If you are a BSc Economics students you will have to take ECON2011 Econometrics. All other students have the choice between **ECON20110 Econometrics** or **ECON20222 Quantitative Methods**.

## These two units have a lot in common

* They cover the main techniques of empirical economics, centred around the use of regression analysis.
* They both focus on being able to identify when empirical analysis is able to make statements about causal relationships and when it isn’t.
* They require the competent use of standard inferential techniques (hypothesis testing, confidence intervals).
* They expose students and demand that students learn how to use the popular R programming language which is used to implement the statistical techniques covered in the units.
* They are both 20 credit units.
* Both units cover the basic econometric techniques required of students applying to most MSc programmes.

**As the units have so much in common you cannot take both units.**

## What differentiates the two units is the following:

* ECON20110 Econometrics runs across the entire academic year, while ECON20222 Quantitative Methods is taught in Semester 2.
* ECON20222 Quantitative Methods has a significant (40%) group-coursework component which will require students to undertake a piece of empirical work.
* ECON20110 Econometrics will have a more theoretical approach, covering the theoretical underpinnings of inference.
* ECON20222 Quantitative Methods will give more time to the discussion of empirical studies than ECON20110 Econometrics.

## You should enrol in ECON20110 Econometrics if

* You are planning to take 3rd year specialist options in Econometrics.
* You are planning to undertake a specialist MSc Degree in Economics.

## You should enrol in ECON20222 Quantitative Methods if

* You want to apply and understand the empirical methods used in modern applied economics without having ambitions to continue with 3rd year specialist econometrics options.
* If you want to experience the full process of creating a piece of empirical work.
* You want to apply and understand the empirical methods used in modern applied economics, including assessing whether the underlying assumptions are plausible and/or testable, without having ambitions to continue with 3rd year specialist econometrics options.

# Further Economics Options

## ECON20001 Managerial Economics I

The aim of this course unit is to introduce students to theoretical economic concepts and analytical tools relevant to firm management. This module prepares students to more advanced topics covered in Econ31002 Managerial Economics II.

At the end of this course students should be able to: (i) demonstrate a sound understanding of demand theory, costs and profit analysis, perfect and imperfect competition, and market and organisation structures; (ii) employ a rigorous approach to modelling economic problems; (iii) apply the appropriate techniques (including algebraic manipulations, linear regression, forecasting methods, linear programming and other management techniques) to find efficient solutions to these problems.

You cannot choose this option if you have taken any Year 2 Microeconomics and either ECON20110 Econometrics or ECON20222 Quantitative Methods.

## ECON20321 Development Economics: Growth, Capital Accumulation and Structural Change

This unit will familiarise students with models and perspectives which have been used to analyse the process of growth and structural transformation in developing economies. Some basic policy problems facing less developed countries are also introduced. A critical understanding of how different economists have analysed the development process will be expected.

At the end of this course unit it is expected that students will be able to demonstrate both an understanding of and ability to critically engage with models and perspectives which have been used to analyse the process of growth and structural transformation in developing economies. Students should also appreciate and be able to address some basic policy problems facing less developed countries. Competing perspectives are part of this course and ability to understand these and take sides in debates is expected.

## ECON20431 Economics for Public Policy

[Video Overview](https://www.youtube.com/watch?v=Nnzy2kajL_o) (2:32 min)

This course aims to provide students with an understanding of the role that economics has and can play in helping to form and evaluate public policy. We will discuss policy issues of both current and historical relevance, with a focus on the role of economics in helping to provide evidence to inform policymakers and the public about the merits and likely impacts of different policy choices. We will highlight the way that economics can help to elucidate the inherent trade-offs that are involved in taking decisions over taxation, spending, and regulation. Emphasis will be placed on developing students analytical skills and the ability to apply economic tools to critically evaluate policy options.

## ECON20332 Development Economics: Understanding Poverty

This course aims to develop students’ understanding and knowledge of theoretical and empirical Development Economics. It focuses specifically on how the asymmetries in information that characterize markets in general affect even in a more severe way developing economies. Consequently, students will study the new theories for economic growth, the role of foreign aid from donor countries and then, more specifically on the asymmetries, we will analyse the rural vs the urban context, the agricultural sector and the credit market.

Even though it is not necessary to successfully complete the course to be familiar with calculus and some basic econometrics, you will be required to have a basic knowledge of both.

## ECON20212 Economic History

This is identical to ECON10212 and hence you cannot take this unit if you have taken the first year version of this unit.

This unit will provide an introduction to key developments in the history of economics. As such it will provide insights into how economic ideas and analysis can explain or help to understand important historic events. This will allow you to examine how economies have operated and functioned in the past, and consider the value of these insights from economic history for today.