



Course and Examination Fact Sheet: Spring Semester 2025

4,202: Microeconomics III

ECTS credits: 6

Overview examination/s

(binding regulations see below)

decentral - Written work, Digital, Individual work individual grade (25%)

Examination time: Term time

central - Written examination, Digital, Individual work individual grade (75%, 120 mins.)

Examination time: Lecture-free period

Attached courses

Timetable -- Language -- Lecturer

[4,202,1.00 Microeconomics III](#) -- English -- [Müller-Itten Michèle](#)

[4,202,2.01 Microeconomics III: Exercises and Independent Studies, Group 1](#) -- English -- [Conze Maximilian](#)

[4,202,2.02 Microeconomics III: Exercises and Independent Studies, Group 2](#) -- English -- [Conze Maximilian](#)

Course information

Course prerequisites

This course assumes familiarity with the material covered in the the courses "Microeconomics I" and "Microeconomics II".

Learning objectives

Students will familiarize themselves with the core theoretical concepts on the topics of choice under uncertainty, information acquisition, and strategic interactions with asymmetric information.

Upon successful completion of the course, students are able to...

- construct models of choice under uncertainty, with and without the possibility of learning.
- experimentally test the key assumptions behind expected utility theory.
- interpret choice data to recover the underlying preferences and beliefs.
- analyze multiplayer settings with adverse selection and moral hazard.
- articulate how information frictions can undermine the efficient functioning of markets.

Course content

This course builds upon the tools taught in "Microeconomics II" to familiarize students with the basic concepts in the area of information economics. Topics include single-agent models of choice under uncertainty, risk attitudes and learning, as well as multiplayer scenarios under asymmetric information such as adverse selection, moral hazard and signaling). Applications include insurance provision, trade, portfolio decisions and management.

In order to equip students to pursue their own research, the course pursues two higher-level objectives:

- First, the course places a strong emphasis on the axioms that underly the decision models. We will take time to identify what parts of the model are observable in practice, carefully outline the formal assumptions and their limitations, and discuss the basic logic that allows us to apply this versatile approach to various economic contexts.
- Second, the course emphasizes independent problem solving, so that students can develop the ability to apply this toolkit independently. Take-home problem sets and in-class experiments form an integral part of the course.



Course structure and indications of the learning and teaching design

The course consists of weekly lectures, regular independent study, as well as small-group review during the biweekly tutorials.

To foster hands-on learning, the course requires substantial independent preparation before and active participation during each class. Most new material will be introduced ahead of time (on canvas) through slides and readings. This gives you an opportunity to go through the new material at your own pace, and frees up classroom time for clarifications and interactive activities. A comprehension quiz between lectures assists you in reviewing, digesting, and remembering the new material. Biweekly problem sets allow you to independently apply the concepts to new problems, review the material, and judge your own mastery of the course content. The exercise sessions provide additional feedback and offer answers to questions that might arise during the lectures or the independent study.

Course literature

In addition to the lecture slides and problem sets, the following open-source materials are recommended:

- Bonanno, Giacomo. (2017) Decision Making. CreateSpace Independent Publishing Platform.
- Bonanno, Giacomo. (2019). Uncertainty, Risk and Information: An Economic Analysis.

There will also be occasional handouts on additional topics of interest, which will be made available on Canvas.

Additional course information

Time investment. In line with ECTS guidelines, this 6-credit course corresponds to an average workload of 180 hours, or an average of 15 hours during each of the twelve lecture weeks. You should allocate about 25% of this time to the lecture (including preview and review) and 50% to independent studies (homework, office hours, tutorials). The remaining 25% are intended for exam preparation.

Examination information

Examination sub part/s

1. Examination sub part (1/2)

Examination modalities

Examination type	Written work
Responsible for organisation	decentral
Examination form	Written work
Examination mode	Digital
Time of examination	Term time
Examination execution	Asynchronous
Examination location	Off Campus
Grading type	Individual work individual grade
Weighting	25%
Duration	--

Examination languages

Question language: English
Answer language: English

Remark

weekly online quizzes and biweekly problem sets

Examination-aid rule

Free aids provision



Basically, students are free to choose aids. Any restrictions are defined by the faculty members in charge of the examination under supplementary aids.

Supplementary aids

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2. Examination sub part (2/2)

Examination modalities

Examination type	Written examination
Responsible for organisation	central
Examination form	Written exam
Examination mode	Digital
Time of examination	Lecture-free period
Examination execution	Synchronous
Examination location	On Campus
Grading type	Individual work individual grade
Weighting	75%
Duration	120 mins.

Examination languages

Question language: English
Answer language: English

Remark

central exam

Examination-aid rule

Closed Book

The use of aids is prohibited as a matter of principle, with the exception of pocket calculator models of the Texas Instruments TI-30 series and, in case of non-language exams, bilingual dictionaries without any handwritten notes. Any other aids that are admissible must be explicitly listed by faculty members in the paragraph entitled "Supplementary aids" of the course and examination fact sheet; this list is exhaustive.

Procuring any aids, as well as ensuring their working order, is the exclusive responsibility of students.

Supplementary aids

The examination will be conducted as a digital examination with the following admissible media:

- **Private notebook** (compulsory) – no tablets!
- **Mains adapter** (compulsory)
- External computer mouse (optional)
- External computer keyboard (optional)
- **A single one- or two-sided A4-sized handwritten note sheet (optional)**

We would like to point out explicitly that the examination cannot be taken with tablets/iPads.

You will need the following for the examination:



- Appliance and system requirements: [cf. StudentWeb](#)
- Special software: [LockDown Browser](#)
- HSG log-in including access modalities
- WLAN – operational access to Eduroam

Please make sure that

- all the updates have been carried out before the examination.
- In the run-up to digitally conducted examinations, technical tests (mock examinations without grades) are carried out. Participation is urgently required!
- You yourself are responsible for the perfect working order of your appliance, [cf. also StudentWeb](#).
- Keyboard stickers in the language in which the examination is conducted (such as English, German, as well as Arabic, Chinese, Russian, Japanese, etc. in language examinations) are permitted. The stickers must be identical with the original characters of the language concerned.
- **The note sheet will be checked upon arrival. If any violations are found (wrong size, typed notes, printed content, etc.), the note sheet will be deemed inadmissible, collected and destroyed.**

Any use of additional appliances that are not listed above will be strictly prohibited throughout the examination.

Any necessary actions with another software or additional appliances require the express prior approval of the persons in charge of the examination and are only permitted under supervision.

Any infringement of these rules of conduct may be sanctioned as an infringement of the rules of the University.

Examination content

1. Students are expected to actively participate in the course and prepare for each lecture (10%). Engagement will be assessed canvas comprehension quizzes in-between lectures.
2. Students will solve bi-weekly problem sets (20%). Problem sets can be solved collaboratively, but each student needs to write up their own solutions.
3. The examination material of the central examination (70%) includes the following topics, among others:
 - - Preferences over lotteries
 - Conditional Probabilities and Learning
 - Asymmetric Information.

A more detailed overview of the exam material will be available on StudyNet no later than the last week of lectures.

Examination relevant literature

You will be examined on all the topics covered during lectures, as well as the independent study material uploaded to canvas no later than the last week of lectures.



Please note

Please note that only this fact sheet and the examination schedule published at the time of bidding are binding and takes precedence over other information, such as information on StudyNet (Canvas), on lecturers' websites and information in lectures etc.

Any references and links to third-party content within the fact sheet are only of a supplementary, informative nature and lie outside the area of responsibility of the University of St.Gallen.

Documents and materials are only relevant for central examinations if they are available by the end of the lecture period (CW21) at the latest. In the case of centrally organised mid-term examinations, the documents and materials up to CW 13 (Monday, 25 March 2025) are relevant for testing.

Binding nature of the fact sheets:

- Course information as well as examination date (organised centrally/decentrally) and form of examination: from bidding start in CW 04 (Thursday, 23 January 2025);
- Examination information (supplementary aids, examination contents, examination literature) for decentralised examinations: in CW 12 (Monday, 17 March 2025);
- Examination information (supplementary aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 14 (Monday, 31 March 2025);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before ending with de-registration period in CW 15 (Monday, 07 April 2025).