Prerequisites: EE612 or instructor's permission

Instructor: Prof. Arayah Preechametta, Ph.D, Room 13. (arayah@econ.tu.ac.th)

Class Schedule: Tue., 9.30 am.-12.30 pm. (Office Hours: Tue., 1.00–2.00 p.m.)

Room: 205

Course Description:

There are three main topics being covered. These topics include speculative bubbles, new economic geography, and irreversible investment under uncertainty. The course encourages students to develop their own theoretical frameworks for their research.

Textbooks:


- Arbitrage theory of capital asset pricing
- Causes and consequences of asset bubble
- Asset price and speculative bubbles
- Financial instability and monetary policy

Reading list:


- Dynamic optimization under uncertainty
- Stochastic Processes and Ito’s Lemma
- Optimal timing for investment and the value of a project
- Real options and investment under uncertainty
- Sequential investment, incremental Investment and capacity choices
Reading list:


Topic 3: Agglomeration and imbalance related to economic growth among different regions (Jan 28, 2014 – Feb 18, 2014)

- Increasing returns, transport costs and imperfect competition
- Formation of urban centers in core-periphery model
- Industrial agglomeration under monopolistic competition
- Agglomeration and economic growth

Reading List:
Review. 76(6): 77-90.


Term Paper and Examinations

a) A term paper on literature review. 20%

b) Midterm Examination. 30% (Dec 24, 2013)

c) Final Examination. 50%