Major Fest Fall 2024: Economics

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What is Economics?

The generally accepted definition is that of Lionel Robbins' book "*An Essay on the Nature and Significance of Economic Science*" (1932):

> *Economics is the* **science** *which studies* **human behaviour** *as a* **relationship between ends and scarce means** *which have alternative uses.*

The "modern" definition of economics that we subscribe to is:

> *Economics is the* **science** *that studies the* **allocation of scarce resources** *among* **'rational' decision makers**.

Economics as a Science

From Wikipedia:

"Science (from Latin *scientia* 'knowledge') ... builds and organizes knowledge in the form of testable explanations and predictions."

Thus, **economics** is based on:

- **reason**: "*rerum cognoscere causas*" – to know the causes of things.

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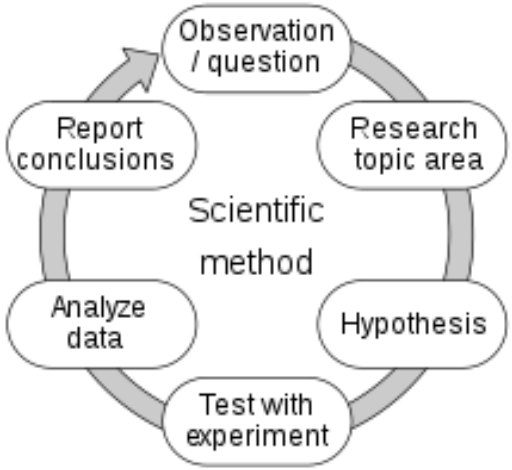
- **scientific methodology** (the following is from Wikipedia as well)



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Thus, **economics** is based on:

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- **scientific methodology**;
- **refutability** (*theory*) and **testability** (*econometrics*);

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Rationality

We need to **know/predict how individuals (decision makers) behave**

- to formulate a sound hypothesis modeling the question and
- to solve the resulting model to be tested against the data.

1950's rationality demands that a rational decision maker can "**rank**" (alternatively, order) all the alternatives he/she faces.

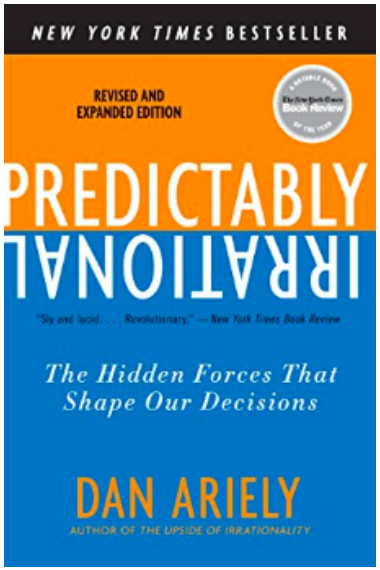
Therefore, individuals' choices can be captured by

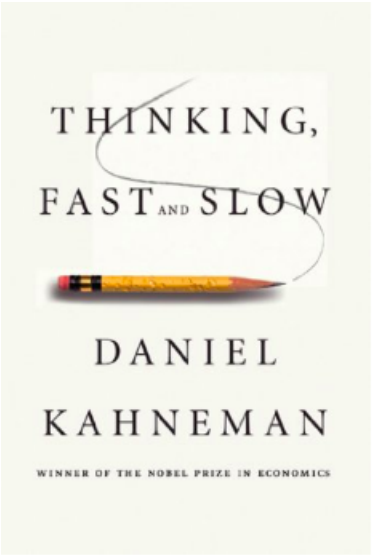
- **preferences**, comparisons of only two alternatives at a time; and
- resulting mathematical functions, the so-called **utility functions**.

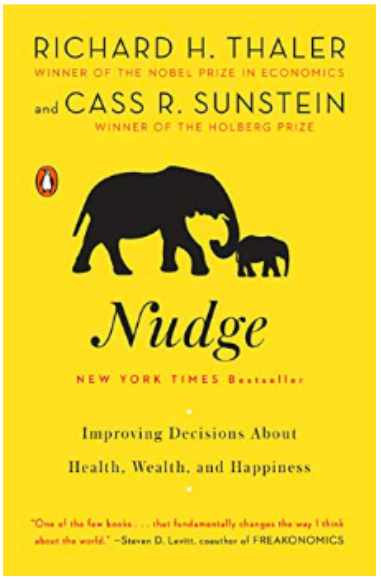
But real-life is **not that easy**!

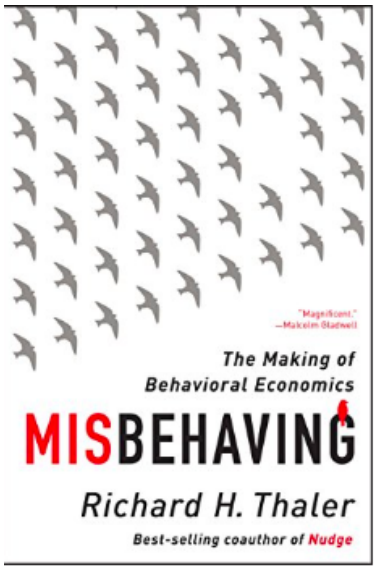
Behavioral Aspects

The premise of behavioral economics is **predictability**.









- Attraction effect; status-quo bias, reference effect, ...
- Intransitivies of indifferences,
- Attitude toward risk and ambiguity.

Status-Quo Effect: A Deviation from Rationality

DMs choices involve a tendency towards the status-quo:

Which SU program should the DM choose? **C**omputer Science or **E**conomics or **I**ndustrial Engineering. Suppose the older brother/sister of the DM is an industrial engineering major.

The set of **alternatives** is $\{c, e, i\}$ and suppose DM's choices are:

Set of alternatives	Choices
$\{c, e, i\}$	$\{c\}$
$\{c, e\}$	$\{c, e\}$
$\{c, i\}$	$\{c\}$
$\{e, i\}$	$\{i\}$

There cannot be any rankings to capture DM's choices. Thus, this DM is "predictably irrational" even though his choices "make sense".

Allocation of Scarce Resources

Scarcity is essential:

- The allocation problem becomes trivial without scarcity.

The resources are to be **allocated** among the 'rational' individuals.

- The amount of resources to each individual is determined. E.g.,
  - *assignment of students to dormitories*;
  - *allotment of offices to the faculty*;
  - *assignment of doctors to hospitals in various cities*;
  - *determination of the weights in a financial portfolio*;
  - *voting in local (municipality) and country-wide elections*.

Allocation of Scarce Resources

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The resources are to be **allocated** among the 'rational' individuals.

- The amount of resources to each individual is determined.
- How individuals evaluate/value the resources is their call.
  - An individual may love these resources, while the other may hate them.
  - The social scientist cannot judge and determine "what should be liked."
  - Individuals' evaluations are **exogenously given** for the social scientist.

Allocation of Scarce Resources

We could analyze **allocation of scarce resources among rational individuals** in many interesting settings:

- Resources in a closed economy (ECON 370);
- Consumption and investment to various time periods (ECON 360);
- Public funds to public projects (ECON 320);
- Money to various financial assets (Finance courses);
- Doctors to hospitals, and grooms to brides (ECON 488);
- Strategized behavior (ECON 310); ...

Testing the fit of these various models to the data from the real-life

- Econometrics (301); Labor (430); Education (321); ...

Why Economics?

- To obtain strong foundations in theory and practice in economics and social sciences.
- To gain the ability to dissect problems in these fields with an analytic perspective.
- To become valued members of the academic and professional community responsible for policy determination/implementation.

Why Economics?

American Economic Journal: Applied Economics 2022, 14(2): 1–22
https://doi.org/10.1257/app.20200447

Will Studying Economics Make You Rich? A Regression Discontinuity Analysis of the Returns to College Major†

By Zachary Bleemer and Aashish Mehta*

We investigate the wage return to studying economics by leveraging a policy that prevented students with low introductory grades from declaring a major. Students who barely met the grade point average threshold to major in economics earned $22,000 (46 percent) higher annual early-career wages than they would have with their second-choice majors. Access to the economics major shifts students' preferences toward business/finance careers, and about half of the wage return is explained by economics majors working in higher-paying industries. The causal return to majoring in economics is very similar to observational earnings differences in nationally representative data. (*JEL* A22, I26, J24, J31)

Why Economics?

- The program is composed of 13 full time prominent and accessible researchers in their field.
- It provides dynamic interaction in core and area courses generally with at most 30 students.
- It offers a wide variety of field of specialization.

Curriculum: Mandatory Courses

- Micro (ECON 204),
- Macro (ECON 202),
- Games and Strategies (ECON 201),
- Econometrics (ECON 301);
- Introduction to Probability (MATH 203);
- Statistical Modelling (MATH 306); and
- Project and Internship (ECON 300).
- One course from the following pool:
  - MATH 201 Linear Algebra,
  - MATH 202 Differential Equations,
  - MATH 204 Discrete Mathematics.

Curriculum: Core Elective Courses

4 courses from the following pool:

- ECON 310 Game Theory,
- ECON 320 Public Economics,
- ECON 330 Industrial Organization
- ECON 340 International Economics
- ECON 350 Financial Institutions and Markets
- ECON 360 Advanced Macroeconomics
- ECON 370 Advanced Microeconomics
- ECON 430 Labor Economics

Curriculum: Area Elective Courses

6 courses from the following pool: (from the BA Degree Requirements)

ECONOMICS UNDERGRADUATE PROGRAM (BAECON)

Area Elective Courses

*	ACC 201	Introduction to Financial Accounting and Reporting	6	3	SBS
	ECON 312	Behavioral Economics	6	3	FASS
	ECON 321	Education Economics and Policy	6	3	FASS
	ECON 322	Health Economics and Policy	6	3	FASS
	ECON 323	Energy and Environmental Economics	6	3	FASS
	ECON 335	Economics of Information	6	3	FASS
	ECON 341	Corporate Finance	6	3	FASS
	ECON 345	International Finance	6	3	FASS
	ECON 346	Global Finance and Multinational Corporation	6	3	FASS
	ECON 347	Essentials of Project and Infrastructure Finance	6	3	FASS
	ECON 391	Topics in Macroeconomics: Emerging Market Macroeconomics	6	3	FASS
	ECON 399	Independent Study	6	3	FASS
	ECON 400	History of Economic Thought	6	3	FASS
	ECON 401	Applied Econometrics	6	3	FASS
	ECON 403	Economic History	6	3	FASS
	ECON 405	Law and Economics	6	3	FASS
	ECON 407	The Political Economy of European Integration	6	3	FASS
	ECON 412	Competition and Regulation	6	3	FASS
	ECON 414	Applied Macroeconomics	6	3	FASS
	ECON 420	Growth and Development	6	3	FASS
	ECON 422	From Plan to Market: Economic Transformation in Eastern Europe	6	3	FASS
	ECON 423	Economics of the Welfare State	6	3	FASS
	ECON 424	Welfare Economics	6	3	FASS
	ECON 425	Topics in Political Economics	6	3	FASS
	ECON 440	Topics in Economics of Globalization and Development	6	3	FASS
	ECON 450	Microeconomics of Banking	6	3	FASS
	ECON 481	Advanced Microeconomic Theory I	7	4	FASS
	ECON 482	Advanced Microeconomic Theory II	7	4	FASS
	ECON 483	Advanced Macroeconomic Theory I	7	4	FASS
	ECON 484	Advanced Macroeconomic Theory II	7	4	FASS
	ECON 485	Advanced Quantitative Methods	8	4	FASS
	ECON 486	Advanced Econometric Theory	7	4	FASS
	ECON 488	Matchings and Markets	6	3	FASS
	ECON 491	Topics in Economic Theory	6	3	FASS
	ECON 492	Seminar on the Turkish Economy	6	3	FASS
	ECON 493	Understanding Chinese Economy	6	3	FASS
	ECON 494	Spatial Data Science	6	3	FASS
	LAW 401	Law, Business and Society	6	3	FASS

*** Faculty Courses**

Curriculum: Overall Plan

1st YEAR

1st Semester

Code	Title	ECTS	SU Credits
MATH 101	Calculus I	6	3
IF 100	Computational Approaches to Probelm Solving	5	3
NS 101	Science of Nature I	6	4
SPS 101	Humanity and Society I	6	3
HIST 191	Principles of Atatürk and History of Revolution I	3	2
TLL 101	Turkish Language and Literature I	3	2
CIP 101	Civic Involvement Projects I	1	0
		30	**17**

2nd Semester

Code	Title	ECTS	SU Credits
MATH 102	Calculus II	6	3
AL 102	Academic Literacies	5	3
NS 102	Science of Nature II	6	4
SPS 102	Humanity and Society II	6	3
HIST 192	Principles of Atatürk and History of Revolution II	3	2
TLL 102	Turkish Language and Literature II	3	2
		29	**17**

2nd YEAR

3rd Semester

Code	Title	ECTS	SU Credits
HUM 2XX	Major Works I	5	3
ECON 201	Games and Strategies	6	3
ECON 204	Microeconomics	6	3
MATH 203	Introduction to Probability	6	3
MATH 2XX	MATH 201/203/204	6	3
PROJ 201	UG Project Course	1	1
		30	**16**

4th Semester

Code	Title	ECTS	SU Credits
HUM 2XX	Major Works I	5	3
MATH 306	Statistical Modelling	6	3
ECON 202	Macroeconomics	6	3
	Free Elective I	6	3
	Free Elective II	6	3
		29	**15**

3rd YEAR

5th Semester

Code	Title	ECTS	SU Credits
ECON 301	Econometrics	6	3
	Core Elective I	6	3
	Core Elective II	6	3
	Area Elective I	6	3
	Free Elective III	6	3
		30	**15**

6th Semester

Code	Title	ECTS	SU Credits
SPS 303	Law and Ethics	5	3
	Core Elective III	6	3
	Core Elective IV	6	3
	Area Elective II	6	3
	Free Elective IV	6	3
PROJ 300	Summer Internship	3	0
		32	**15**

4th YEAR

7th Semester

Code	Title	ECTS	SU Credits
	Area Elective III	6	3
	Area Elective IV	6	3
	Free Elective V	6	3
	Free Elective VI	6	3
	Free Elective VII	6	3
		30	**15**

8th Semester

Code	Title	ECTS	SU Credits
	Area Elective V	6	3
	Area Elective VI	6	3
	Free Elective VIII	6	3
	Free Elective IX	6	3
	Free Elective X	6	3
		30	**15**

Curriculum: Specialization Tracks

30 SU credits, excluding "University Courses" must be completed.

- This allows a wide variety of specialization tracks:
- Computer programming,
- Accounting and finance,
- Corporate finance, financial management, behavioral finance,
- International Law,
- Comparative political studies,
- Social theory,
- Political Sociology, ...

Curriculum: Further Specialization

- Internship opportunities,
- Independent Study,
- PURE and Özgür Proje.

Double Major Opportunities

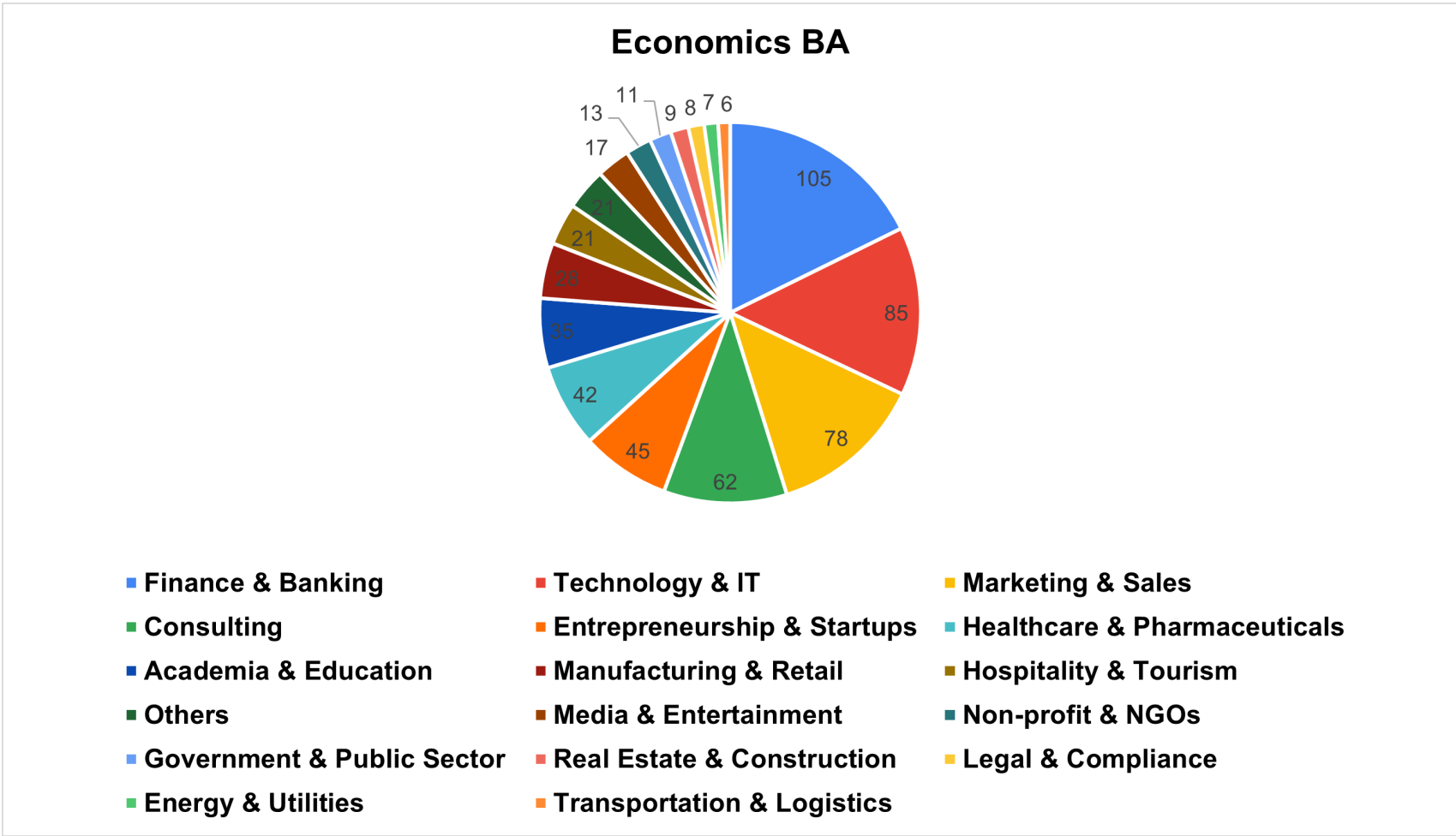
According to latest figures, the following is the list of programs with which students are doing double majors:

- CS
- Management,
- Industrial engineering,
- International studies,
- Electronics engineering,
- Materials science and NANO engineering,

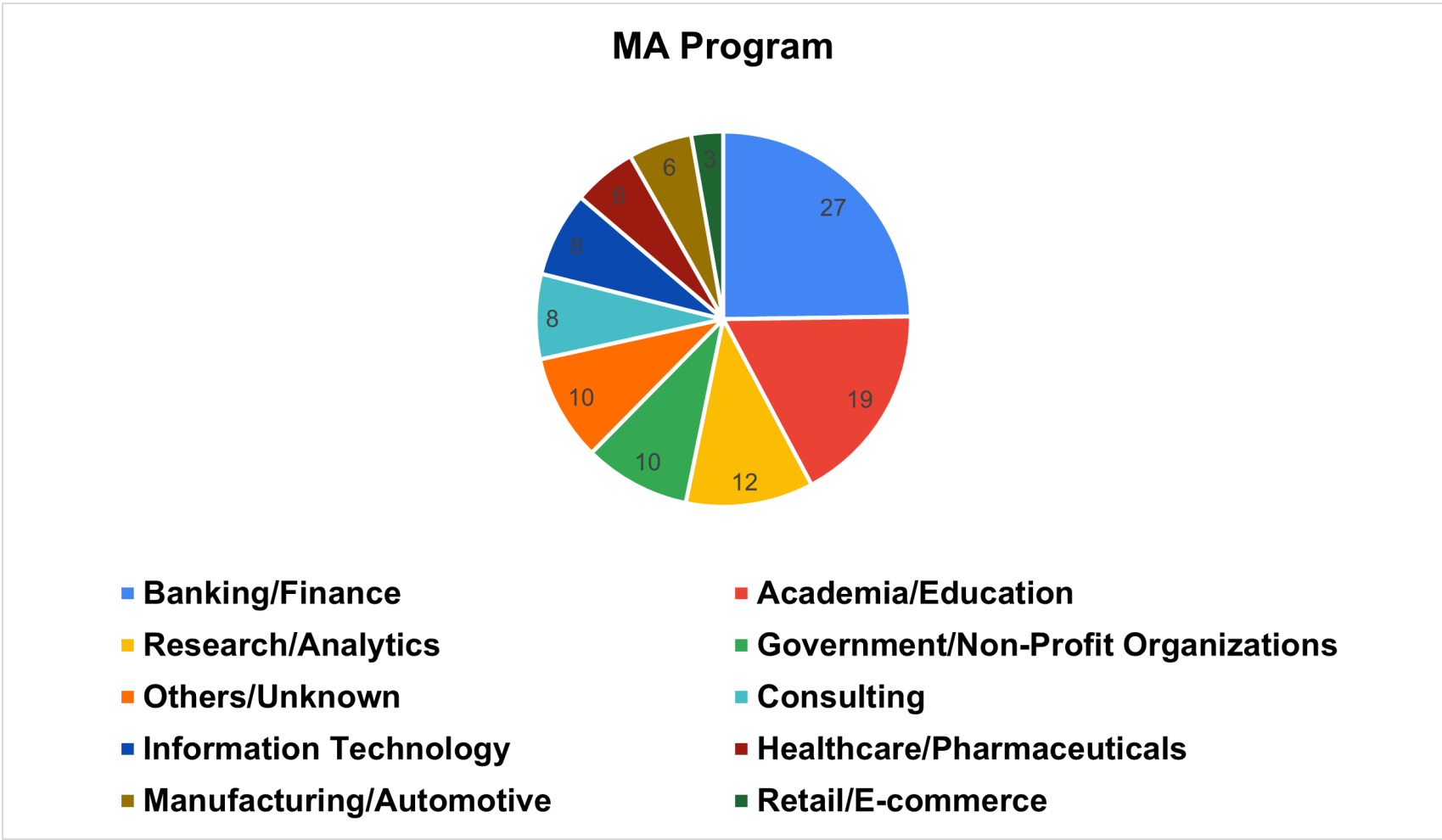
Minor Opportunities

- Energy, Physics, Mathematics, Chemistry
- Philosophy, Art Theory and Criticism, Gender and Women's Studies, Decision and Behavior, Conflict Analysis and Resolution
- Finance, Entrepreneurship, Business Analytics.

Our Graduates - Economics



Our Graduates - MA Program



Our Graduates - Country

Country	Count
Türkiye	366
USA	45
United Kingdom	34
Netherlands	16
Germany	14
United Arab Em	10
France	7
Switzerland	6
Canada	6
Austria	6
Sweden	4
Azerbaijan	3
Australia	3
Pakistan	3
Poland	2
Holland	2
Morocco	2
Luxembourg	2
Denmark	1
Ukraine	1
Thailand	1
New Zealand	1
Croatia	1
Belgium	1
Ireland	1
China	1
Italy	1

Our Graduates - Company

Company	Number of
Akbank	7
PwC	7
Getir	7
Yapı Kredi	4
IFC - International Finance Corporation	4
Trendyol Group	4
Unilever	4
Arçelik Global	4
McKinsey & Company	4
KPMG Türkiye	4
Şişecam	3
Procter & Gamble	3
Amazon	3
AstraZeneca	3
PepsiCo	3
EY	3
QNB Finansbank	3
Google	3
ÜNLÜ & Co	3
ING Türkiye	3
L'Oréal	2
Teknosa	2
Apple	2

Our Graduates

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