



“Electronic Markets”

- Summer Term 2010 -

Course Description

Objective:

Electronic markets gain increasing attention in nearly all areas of today's networked service economy (e.g. stock exchanges, ebay, Supply-on). More frequently, electronic markets are introduced for innovative products such as Emission Allowances or Advertising. Nonetheless, electronic markets are not always “growing like weed”. Instead markets need a deliberate design that shifts from traditional Science to Engineering. The Economist is becoming increasingly an “Engineer”. The lecture “Electronic Markets” is concerned with the structured procedure of analyzing, designing, and introducing electronic market platforms in their entirety. Accordingly, electronic markets are covered with respect to the

- the microstructure, i.e. the rules defining how markets can be approached such as the auction rules
- the IS infrastructure, i.e. the way how electronic markets are implemented in information systems
- and their business structure, i.e. the way how the electronic market is offered to their customers.

Students learn to comprehend, to enhance, and to evaluate the design potentials of electronic market platforms, where the focus is on the microstructure. Moreover, students learn to organize their integration into traditional business processes as well as into innovative dynamic (supply) networks and to develop and implement solutions to interdisciplinary questions. Ideally, participants do not only qualify as a “market designer“ but also as market engineer. This will be encouraged by a guest lecture from a SME offering market services. Further hands-on tutorials on real systems (e.g. Supply-on) are being planned. Furthermore, working in teams on current literature and an extensive real world case they will gain theoretical and practical experience. Successful participation in the tutorials will enhance the grade.

Communication

All announcements, handouts, etc. will be posted on Campusonline.

Accompanying Literature

Literature:

For this lecture, there does not exist one single book, but several papers that will be announced along the course. To get a general notion on the topics of designing electronic market please refer to the following three papers:

Roth, A., The Economist as Engineer: Game Theory, Experimental Economics and Computation as Tools for Design Economics. *Econometrica* 70(4): 1341-1378, 2002.
Weinhardt, C., Holtmann, C., Neumann, D., Market Engineering. *Wirtschaftsinformatik*, 2003.
Wolfstetter, E., Topics in Microeconomics - Industrial Organization, Auctions, and Incentives. Cambridge, Cambridge University Press, 1999.

Timeframe and Location

Location: Computerpool 2114

Lesson: April 26 to April 29 2010

09 – 12 am and 01 – 03 pm

Practice: tba.

Team-up Projectgroups

Final group presentations: July 2010 tba.

Policies, Procedures and Grading

The following activities will be performed by the students taking this course:

Class participation and articles reading. From time to time I will hand out some homework assignments following on discussions in class and/or from reading material.

Project. A voluntary case study project will give new insights into practical applications of methodologies presented in the lecture. A written documentation of the findings and a 20 min group presentation of the results allows for a bonus of up to 10 points on the passed exam.

Oral presentation. One or more exercises will be assigned well in advance to each student for a presentation in class.

Final exam. There will be a final exam of topics covered in the course.

Credit points

Upon successful completion students receive 6 credit points.

Audience

This course addresses specifically students of the MIE as well as “VWL Diplom” students for their “Pflichtwahlfach Wirtschaftsinformatik”. The credits are also valid for the “Pflichtwahlfach Telematik, Ordnungspolitik und Betriebswirtschaftslehre”.

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