

# ÉCOLE POLYTECHNIQUE FÉDÉRALE DE LAUSANNE

## College of Management of Technology

MGT-621 MICROECONOMICS (PROF. WEBER)

### Course Project

Autumn 2026

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| <b>Issued:</b> Tuesday, September 1, 2026 | <b>Due:</b> Friday, October 23, 2026 |
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**Real-World Application.** Choose a concrete economic phenomenon and explain how concepts developed in the course can be used to understand it. The starting point should be a clearly identified real-world source or observation. This may be a newspaper or magazine article, a regulatory decision, a company announcement or pricing page, a policy document, an industry report, or a public dataset. Please attach the principal source or provide enough bibliographic information that it can be located reliably. The objective is not merely to summarize the source. Your task is to identify an economic question suggested by it and to develop a small formal model that helps answer that question.

**Model and Analysis.** The model should use one or more ideas from the course and should contain actual analysis and computations. Examples include consumer choice and demand, choice under uncertainty, profit maximization and cost minimization, monopoly pricing, oligopoly, competitive equilibrium, asymmetric information, externalities, public goods, regulation, and welfare comparisons. The model need not be elaborate. Indeed, a simple model that isolates the relevant economic mechanism and is understood completely is preferable to a complicated construction whose implications are difficult to interpret. You may use illustrative parameter values when reliable estimates are unavailable, provided that these values are clearly identified as illustrative. Whenever useful, include comparative statics, a numerical example, or a small sensitivity analysis.

**Possible Applications.** Many current topics lend themselves to such an analysis. For example, one could study subscription tiers or usage-based pricing for software and AI services; dynamic pricing for transportation, hotels, electricity, or event tickets; commissions charged by digital platforms; market power in industries with large fixed costs and low marginal costs; privacy, personalization, and price discrimination; housing-market regulation; congestion or carbon pricing; insurance deductibles or warranties; or the effects of an information asymmetry between buyers and sellers. These are illustrations only. A less fashionable application may make a better project if it permits a cleaner use of microeconomic reasoning.

**Information and Data Sources.** The project is primarily an exercise in microeconomic modeling and should not become an econometrics paper. Data can nevertheless be useful for motivating the question, choosing plausible parameter values, or comparing the model's implications with observed magnitudes. Suitable sources include, among others, the Swiss Federal Statistical Office and Swiss Stats Explorer, [opendata.swiss](https://opendata.swiss), COMCO/WEKO, SECO and other Swiss federal or cantonal agencies, Eurostat, the OECD Data Explorer, World Bank and IMF databases, FRED and other official statistical sources, as well as company reports, public filings, official pricing information, and regulatory decisions. Reputable journalism can be very useful for identifying a phenomenon and providing context. Whenever possible, trace factual claims and numerical information to the underlying primary or authoritative source.

**Computational and AI Tools.** You may use computational tools such as spreadsheets, Python, R, Matlab, and Mathematica, as well as generative-AI systems, in developing the project. Their use does not alter the intellectual objective of the assignment. You remain responsible for the economic question, the model, every assumption, equation, calculation, factual statement, and reference in the submitted report. In particular, references suggested by an AI system must be checked against the original source. At the end of the report, include a short statement identifying any computational or generative-AI tools used and briefly indicating what they were used for. Anything appearing in the report should be something that you can explain and defend yourself.

**Written Report and Oral Defense.** Submit an individual write-up of at most ten pages, excluding references, a possible appendix, and the short statement on computational and AI tools. The report should explain the real-world motivation, formulate the economic question, state the model and its assumptions, carry out the analysis, and interpret the conclusions in terms of the original application. Four weeks after the end of the course, the final report is due by email to the instructor. Each student will subsequently complete a short individual oral defense of the project. The defense will last approximately 15 minutes. You should be prepared to explain the economic mechanism and principal result concisely and to answer questions about your assumptions, derivations, calculations, sources, and use of computational or AI tools. Questions may also ask how a conclusion changes when one of the model's assumptions or parameters is modified.

**Evaluation.** The project is an integral part of the course and counts for 40% of the course grade. The written report and oral defense will be evaluated jointly. The principal criteria are the following:

1. Relevance and originality
2. Clarity of expression and economic interpretation
3. Quality of synthesizing the course concepts for the chosen application
4. Academic rigor, including the correctness of the model, computations, and use of sources
5. Command of the project demonstrated in the oral defense

A one-page proposal is due in Session 6. It should identify the motivating source, the economic question, the main course concept or concepts to be used, and the basic model you intend to develop. Instructor feedback will be provided in Session 7. Your final example should be convincing, analytically transparent, and “neat.”