



## Course information 2011-12

### MT105b Mathematics 2 (half course)

This half course develops further the basic mathematical methods introduced in MT1005a Mathematics 1, and also demonstrates further applications in economics, finance and management.

#### Rule

MT105a Mathematics 1 must be taken before, or at the same time as MT105b Mathematics 2.

#### Exclusion

This half course may not be taken with:  
MT1173 Algebra  
MT1174 Calculus  
MT2076 Management Mathematics

#### Aims and objectives

This half course is designed to:

- enable students to acquire further skills in the methods of calculus and linear algebra (in addition to those in 05a Mathematics 1), as required for their use in economics-based subjects
- prepare students for further courses in mathematics and/or related disciplines.

#### Essential reading

For full details please refer to the reading list.

Anthony, M. and N. Biggs *Mathematics for Economics and Finance*. (Cambridge: Cambridge University Press)

#### Assessment

This half course is assessed by a two hour unseen written examination.

#### Learning outcomes

At the end of this half course and having completed the essential reading and activities students should have:

- ✓ used the concepts, terminology, methods and conventions covered in the half unit to solve mathematical problems in this subject.
- ✓ the ability to solve unseen mathematical problems involving understanding of these concepts and application of these methods.
- ✓ seen how mathematical techniques can be used to solve problems in economics and related subjects

Students should consult the *Programme Regulations for degrees and diplomas in Economics, Management, Finance and the Social Sciences* that are reviewed annually. The Prerequisites, Exclusions, and Syllabus are subject to confirmation in the *Regulations*. Notice is also given in the *Regulations* of any courses which are being phased out and students are advised to check course availability.

## Syllabus

This is a description of the material to be examined, as published in the *Regulations*. On registration, students will receive a detailed subject guide which provides a framework for covering the topics in the syllabus and directions to the essential reading.

This course develops further the basic mathematical methods introduced in Mathematics 1, and also demonstrates further applications in economics, finance and management.

New techniques are also developed, particularly for linear algebra, differential equations and difference equations, and applications of these techniques are investigated.

Note: Mathematics 2 builds on Mathematics 1. Everything in the Mathematics 1 syllabus is needed for Mathematics 2. Thus, the Mathematics 2 syllabus includes the Mathematics 1 syllabus.

**Further differentiation and integration:** Mathematics 1 material on differentiation and integration; Using derivatives for approximations; Elasticities; Taylor's theorem; the effects of taxation; Definite integrals and the calculation of areas; Further economic applications of integration: includes consumer and producer surplus.

**Functions of several variables:** Mathematics 1 material on functions of several variables; Homogeneous functions and Euler's theorem; Review of constrained optimisation; Constrained optimisation for more than 2 variables; Further applications of constrained optimisation.

**Linear Algebra:** Mathematics 1 material on matrices and linear equations; Supply and demand, and the imposition of excise and percentage tax; Consistency of linear systems; Solving systems of linear equations using row operations, in the case where there are infinitely many solutions; Determinants and Cramer's rule; Calculation of inverse matrices by row operations; Economic applications of systems of linear equations, including input-output analysis; Eigenvalues and eigenvectors; Diagonalisation of matrices.

**Differential equations:** Exponential growth; Separable equations; Linear differential equations and integrating factors; Second-order differential equations; Coupled equations, including the use of matrix diagonalisation; Economic applications of differential equations.

**Difference Equations:** Solving first-order difference equations; Application of first-order difference equations to financial problems; The cobweb model; Second-order difference equations; Coupled first-order difference equations, including the use of matrix diagonalisation; Economic applications of second-order difference equations.