

Econ 711: Microeconomics II

Game Theory and Economics of Information

Spring 2009

Peter Norman Gardner 300C, normanp@email.unc.edu

Office Hours Tuesday and Thursday 10:00-11:00

Class Time: Lectures on Tuesdays and Thursdays 11:00AM-12:15AM in GA 308 and review session Fridays 10:00AM-10:50AM in GA 009

Teaching Assistant: Fatma Gunay: gunay@email.unc.edu

Problem Sets: Problem sets will be assigned on a weekly basis and you should take them very seriously. Grading will be effort based. Each student should hand in a solution every week, but you should feel free to cooperate, which is a very good idea as long as you try to solve the problems by yourself before consulting others. You will play a very risky strategy if you use groups as a means of division of labor or waits for an answer key before making a serious effort on a problem.

Exams and Grades: There will be two in class midterms, February 24 and March 26 and a final.

Textbook: The textbook is Mas-Colell A., M. Whinston and J. Green, *A Course in Microeconomic Theory*, Oxford University Press, New York NY, 1995. Other books you may want to own are

- Gibbons R, *Game Theory for Applied Economists*, Princeton University Press, Princeton NJ, 1992.
- Kreps, D, *A Course in Microeconomics*, Princeton University Press, Princeton NJ, 1990.
- Fudenberg, D and J Tirole, *Game Theory*, MIT Press, Cambridge MA, 1991.
- Myerson R., *Game Theory: Analysis of Conflict*, Harvard University Press, Cambridge MA, 1991

The first two of these provide good insights proceeding rather informally (recommended for those of you more inclined towards math than econ), Fudenberg and Tirole (1991) is an encyclopedic text on game theory and Myerson (1991) is a nice text for those who like to get a deeper understanding of the material.

Outline:

1. Games in Normal Form (MWG 8A-D, 12C)
2. Games in Extensive Form (MWG 7A-D, 9A-B)
3. Mixed Strategies (MWG 7E, 8C)
4. Games of Incomplete Information (MWG 8E, 9C-D)
5. Bargaining (MWG 9 Appendix A)
6. Repeated Games (MWG 12 Appendix A)
7. Information Economics (MWG 13, 14B-C)
8. Social Choice (MWG 21)
9. Mechanism Design (MWG 23)