Economics 200D: Decisions

Syllabus and Reading List

This course covers topics in Decision Theory, the Theory of Teams, and Mechanism Design

1 Topics in Decision Theory

1.1 von Neumann - Morgenstern Expected Utility (Review)

Mas-Colell, Whinston, and Green, Chapter 6

1.2 Subjective Probability and Savage Theory

Kreps, A Course in Microeconomic Theory Chapter 3
Kreps, Notes on the Theory of Choice Chapters 4, 7, 8, 9, & 14
Savage, The Foundations of Statistics Chapters 1 - 5

1.3 Additive Decomposition of Utility, Intertemporal Preferences, and the Social Rate of Time Preference

McGuire and Radner (eds) Decision and Organization Chapters 3 & 4
Heal, Valuing the Future, Chapters 1, 3, & 5
Arrow, Cline, Maler, Munasinghe, Squitieri, & Stiglitz, "Intertemporal Equity, Discounting, and Economic Efficiency" in Climate Change 1995: Economic and Social Dimensions of Climate Change, pgs. 125 - 144

2 Organizations

2.1 Theory of Teams

Marschak and Radner, The Theory of Teams Chapters 4, 5, & 6
McGuire and Radner (eds) Decision and Organization Chapters 9 & 10
2.2 Incentives and Mechanism Design

Hurwicz, "On Informationally Decentralized Systems," in McGuire and Radner (eds) *Decision and Organization* Chapter 14
d'Aspremont and Gerard-Varet, "Incentives and Incomplete Information" *Journal of Public Economics*, (1979) vol. 11, pgs. 25 - 45
*Review of Economic Studies* "Special Issue: Contracts" (January 1999) vol. 66(1)
*Journal of Mathematical Economics* "Special Issue on Implementation" (June 1982) vol. 10