Economics 200C, Core Microeconomics - Part II Spring 2014 Syllabus

Simone Galperti

Course Description

This is the third and last part of the graduate microeconomic sequence. My portion of the class will focus on information economics: adverse selection, moral hazard, principal-agent models, and mechanism design.

Logistics

- Me: Simone Galperti, Econ 213, Email: sgalperti@ucsd.edu
- Office Hours: TBD
- TA: Erick Lillethun, Email: elilleth@gmail.com. Office Hours: Mondays from 1:00 pm to 3:00 pm.
- Required textbook: Microeconomic Theory, Mas-Colell, Whinston, and Green, 1995.
- Other suggested references:
 - Fudenberg and Tirole, Game Theory, MIT Press, 1991.
 - Milgrom. Putting auction theory to work. Cambridge University Press, 2004.
 - Krishna. Auction theory. Academic press, 2009.

Assignments

- There will be a final exam, scheduled on June TBD. The final will cover only material from the last half for 200C. This will count for most of your grade for my half of the course.

List of Topics

The course will meet from week 5 to week 10. This is a tentative list of topics:

- Introduction to Information Economics
- Hidden Information: Adverse Selection and Market Failures
- Hidden Action: Moral Hazard
- Mechanism Design
 - Examples
 - A General Framework
 - The Implementation Problem
 - The Revelation Principle
 - Dominant-strategy Incentive Compatibility (Illustration: VCG Mechanisms)
 - Bayesian Incentive Compatibility (Illustration: AGV Mechanisms)
 - Envelope Representations
- Myerson-Sattherthwaite Theorem
- IPV Auctions: A Mechanism-Design Approach
 - Revenue Equivalence
 - Myerson's Optimal Auction
- Monopolistic Screening
- Arrow's Impossibility Theorem