EC 741: Graduate Microeconomic Theory II
Game Theory and Information Economics Module

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Course Objectives: This is an introductory game theory and information economics module in the Graduate Microeconomic Theory sequence. The aim of the course is to build a solid background for economics PhD students in game theory and information economics. It is equally targeted to students who would like to do applied or theoretical work in the future.

Teaching Method: Lectures and Recitations. The lectures will cover primarily the theoretical material, supplemented with examples. Participation is very much encouraged. Problem solving is essential for improving one’s understanding of game theory. Regular homework exercises will be assigned. Moreover your TA will hold weekly recitation hours in which he will solve more examples.

Course Materials:
[1] Utku Ünver’s course notes and slides at https://www2.bc.edu/~unver/teaching/gradmicro/gradmicro2-II.html
[2] A Course and Game Theory, Martin Osborne and Ariel Rubinstein

Other Recommended Materials:

Grades and Requirements: Students are expected to come to each class, read the assigned material and solve the homework questions as scheduled. Class participation through questions to the instructor and answers to the questions of the instructor are expected. There will be graded homework assignment sets and also you will take a final at the end of the semester on this module. The final will make up 90% and the homeworks will make up 10% of your grade in this module.
Tentative Course Outline:

- Strategic Games
- Solutions Through Common Knowledge of Rationality
- Extensive-Form Games with Perfect Information
- Strategic Games with Imperfect Information
- Extensive-Form Games
- Repeated Games
- Adverse Selection, Signalling, Screening*
- The Principal-Agent Problem: Hidden actions and hidden information*
- Mechanism Theory
- Dominant Strategy Mechanism Design