ECON 701 — Microeconomic Theory (part 2)

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1 Description

This part of the course will primarily focus on noncooperative game theory and its applications.

2 Grading

Your grade for my part of 701 will be based on weekly problem sets and the final exam. The university has scheduled our final exam for Saturday December 15 from 9:00 am to 11 am. The exam will count for 80% of your grade, the problems the remainder. As you know, you will receive one grade for 701 based on combining Professor Noor's evaluation for the first half of the course with my evaluation.

3 Homework

We will continue with the schedule you used in the first half of the semester. Problem sets will be posted on my web page each week. Your answers are to be turned in to the TA (Andrea Canidio) by 3 pm the following Monday. He will grade a random selection of the problems.

4 Text

We will cover Part 2 and some of Part 3 of Mas–Colell, Whinston, and Green's *Microeconomic Theory.* Some other texts which you might find useful are

Fudenberg and Tirole, *Game Theory*, MIT Press, 1991.

Myerson, *Game Theory: Analysis of Conflict*, Harvard University Press, 1991.

Osborne and Rubinstein, *A Course in Game Theory*, MIT Press, 1994.

While I dislike it, I've noticed that some students find the following helpful:

Gibbons, R., *Game Theory for Applied Economists*, Princeton University Press, 1992.

5 Office Hours

My office hours will be Tuesdays from 12:30 to 2 and Wednesdays from 10:30 to 12 beginning Tuesday October 30. Office hours are subject to change, with all changes announced in advance in class and usually noted on my web page. Also, I will be available at other times by appointment.

6 Course Outline and Readings

Note: All dates approximate. Some topics may be added or dropped.

Week 1.

Introduction to game theory. Chapter 7.

Week 2.

Normal form equilibria. Chapter 8.

Weeks 3 through 5.

Extensive form equilibria. Chapter 9.

Week 6.

Applications of game theory. Chapter 12.

If Time Permits.

Partial equilibrium competitive models. Chapter 10.