Microeconomic Theory

200C, Spring 2004
MW 2:10 - 4
212 Wellman
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Course Topics:

1. Monopoly versus Perfect Competition
   - *Competition, Appropriation, and Efficiency* (lecture notes available at our Website)

2. Game theory with applications to oligopoly
   - Mas-Colell et al., *Microeconomic Theory*, Chapters 7–9 and 12
   - Recommended supplementary reading: Robert Gibbons’s *Game Theory for Applied Economists*

3. Information economics
   - Mas-Colell et al., Chapters 13–14
   - Akerlof’s “Market for Lemons,” *QJE* ’70.
   - Recommended supplementary reading: Bernard Salanié, *The Economics of Contracts: A Primer*. (Not required, but a nice accessible treatment of information economics.)

Grading: There will be two equally-weighted exams: a midterm (40%) and a final (40%). The remaining 20% will be based on the problem sets; this will help to decide borderline cases.

Problem Sets: Cooperate in doing them, but each student should write up his or her own answers. We will spot check them: √ (check/O.K.), 0 (not O.K.), or NS (“no show”). I expect you to get only checks.

◊ I also highly recommend Jean Tirole’s “Noncooperative Game Theory: A User’s Guide,” which is Chapter 11 in his textbook *The Theory of Industrial Organization*. This is the best short presentation of game theory that I know of. (Copies on reserve.)