Requirements/Assessments  Economics 101 is a requirement for this course. I will assume everyone has taken this course, but that you may be a little rusty.

There will be a midterm and a final exam based on the material covered in the required readings, the lecture, and problem sets. The midterm will be given in our regularly scheduled classroom. The final will be given as listed in the schedule of classes.

In addition to the two exams, there will be approximately 5 problem sets assigned during the semester. Final grades will be determined according to the following weights:

- Final 45%
- Midterm 35%
- Problem Sets 20%

Notice that you are not explicitly evaluated on attendance. This does not mean that I think attendance is not important. On the contrary, past experience indicates that it is critical to success. However, I leave it up to you to decide how much effort you want to put into this course, and how you allocate that effort.
Tentative Course Outline

Within a given section, the articles are ordered (roughly) in the order I recommend reading them. In addition, the following codes are used.

★ Core Reading

♦ Supplemental Reading: not required (may be technically advanced)

I reserve the right to add, subtract, demote or promote articles during the semester as needed. I will update the syllabus on Blackboard to reflect these changes as they occur.

1 Choice Under Uncertainty (≈ 6 lectures)

1.1 Expected Utility Theory


1.2 Experimental Violations of the Expected Hypothesis


1.3 Expected Utility Theory and Asset Pricing


2 The Value of Information (≈ 5 lectures)

★ Handout

◊ A fun attempt at adding intuition to the formula:
  http://yudkowsky.net/bayes/bayes.html

3 Fads and Informational Cascades (≈ 6 lectures)


◊ ”Yes, Ten Million People Can Be Wrong,” The Economist, February 18, 1994.

4 Dynamic Learning Problems (≈ 3 lectures)

★ Handout

5 Information Revelation in Markets (≈ 4 lectures)

★ Handout

6 Contracting with Asymmetric Information
   (optional topic)

★ Handout