Economics 603
Micro III

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Supplemental References: Mas-Colell and below by topic.


Requirements/Assessments  Micro I and II (Ec. 601 and 602) are prerequisites for this course.

Problem sets will be handed out during the course of the semester, most likely one problem set per main topic in the outline on the following pages. There will be a midterm and a final based on material covered in the lectures and problems sets.

Final grades will be determined according to the following weights:

Final: 45%
Midterm: 35%
Problem Sets: 20%
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.

♦ Background Reading: Often helpful to understanding the more technical articles.

★ Core Reading

◇ Supplemental Reading: Usually a good place to start if you are particularly interested in a topic, or plan an applied project in an area.

I reserve the right to add, subtract, demote or promote articles during the semester as needed. It is probably a good idea not to read anything more than 1-2 lectures ahead.

1 Bargaining

1.1 Foundations


1.2 Complete Information


1.3 Application: Search


- Personal Notes.


1.4 Incomplete Information


2 Monotone Methods

2.1 Supermodularity and Complementarity

Application: Matching


Application: Supermodular Games


2.2 More monotone methods

Further readings forthcoming!

3 Mechanism Design

3.1 Principal-Agent Models

- Mas-Colell, Chapter 14.

3.2 Implementation

Mas-Colell, Chapter 23.

Fudenberg and Tirole, Chapter 7.


3.3 Optimal Trading Mechanisms


4 Information and Learning

4.2 Optimal Experimentation


4.3 Sequential Social Learning


4.4 Information Aggregation


5 Stochastic Calculus in Economics

Further readings forthcoming!

5.1 Mathematical Tools


5.2 Application: Repeated Games

5.3 Application: Dynamic Principal-Agent

5.4 Application: Dynamic Learning

6 Repeated Games

6.1 Perfect Monitoring


### 6.2 Public Monitoring


6.3 Private Monitoring


