

Advanced Microeconomics II (GM0730)
Spring 2018

Johan Stennek
18 February 2018

Course Guidelines

AMT II

2018

Schedule	3
Teachers	3
Course Contents.....	4
Problem Sets.....	4
Examination.....	4
Required Reading.....	4

Schedule

1	Why Markets?	JS	HMW Ch: 1-4
2	Static Games	JS	HMW Ch: 22
3	Monopoly	JS	HMW Ch: 5
4	Oligopoly	JS	HMW Ch: 6
5	Dynamic Games & Bargaining	JS	HMW Ch: 23.1 & 7
6	Static Games	JS	Problem Set
7	Bounded Rationality	LC	Lecture Notes
8	Pro-social Preferences	LC	Lecture Notes
9	Behavioral Economics	LC	Problem Set
10	Dynamic Games & Cartels	JS	HMW Ch 23.2 & 20.1
11	Monopoly & Oligopoly	JS	Problem Set
12	Market for Lemons	JS	HMW Ch: 9
13	Price Discrimination	JS	HMW Ch: 17 - 18
14	Auctions	JS	HMW Ch: 8
15	Moral Hazard	LC	Lecture Notes
16	Dynamic Games & Applications	JS	Problem Set
17	Adverse selection	JS	Problem Set
18	Moral Hazard	LC	Problem Set

HMW = How Markets Work

Teachers

JS = Johan Stennek (responsible for course)

LC = Li Chen

Course Contents

Advanced Microeconomic Theory II is an introduction to modern economic analysis. The content corresponds to the “Micro II” course included in most Ph.D. programs in economics, but is less technically demanding.

We study how markets and organizations work. We acknowledge that people's choices are often interdependent, in the sense that one person's best choice often depends on what other people do, that people often lack all the information they need to make their decisions, as well as the fact that people have limited cognitive skills and that they care about others.

In terms of theory and methods, the course introduces basic game theory (normal form games, extensive form games, including some games of incomplete information) and contract theory (moral hazard, adverse selection) as well as behavioral economics.

In terms of applications, we cover basic market forms such as “perfect competition” (but with incomplete information about quality), monopoly (including advanced pricing strategies) oligopoly, bargaining and auctions, and we also study the internal operation of firms and organizations.

Problem Sets

The best way of learning microeconomics is to solve problems. You will thus find yourself spending a large proportion of the time working on the problem sets that we hand out, six in total. You should think of the lectures and the literature mainly as reference material that you can use when solving problems. The problem sets are voluntary, but bear in mind that solving the problem sets is the best way to prepare for the exam. You are encouraged to collaborate with other students while solving the problem sets, but you all need to be prepared to present your solutions in class.

Examination

At the end of the course there is a final exam. You are allowed five attempts to take the exam, but we only give three exams every academic year. Taking the exam early is encouraged.

- On the first occasion every academic year, one question on the final exam will be (almost) identical to one of the questions on the problem sets.
- If you wait until next academic year, you may also have to study some additional material not covered this year, as there are small changes in the course between the years.

Please come and talk to the course director, if you have questions about your marks.

Required Reading

Lecture notes and articles distributed.