

Professor Colin Stewart  
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Office Hours: Monday 3:00–4:00pm

ECO2030H1S: MICROECONOMIC THEORY II (PHD), UNIT 2  
WINTER 2016

CLASSES: Mondays and Wednesdays 9:10–11:00am, WW119 and WW121

TUTORIALS: Thursdays 6:10–8:00pm, BA1200

REQUIRED TEXTBOOK:

*Microeconomic Theory*, by A. Mas-Colell, M. Whinston, and J. Green, Oxford University Press.

ADDITIONAL REFERENCES:

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

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

*The Theory of Incentives*, by J.-J. Laffont and D. Martimort, Princeton University Press.

*The Economics of Contracts*, by B. Salanié, MIT Press.

GOALS:

This course is designed with several goals in mind. The first is to provide you with an understanding of the core elements of information economics that you can draw on regardless of what subfield you pursue (these ideas are becoming increasingly important in a wide range of subfields beyond micro theory, including, e.g., macro and health). Second, mastering the course material will ensure that those of you interested in pursuing research in micro (or macro) theory are adequately prepared. Finally, solving problems and working through the material will help to develop your facility with economic modelling in general.

EVALUATION AND REQUIREMENTS:

Your mark for this unit will be 90% of your mark on the final exam plus 10% of your average on the problem sets. The exam will be closed book with no aids permitted. The overall grade for the course will be determined by the average of the grades in units 1 and 2. Problem sets will be (approximately) weekly.

TUTORIALS: The TA for the course is Young Wu. He will hold five tutorials from 6–8pm on Thursdays starting March 10th.

EMAIL: Email should be used only for logistical questions about the course. Questions about course content should be asked in person, either at office hours or after class. If you do not receive a response to an email within two days, please resend the email.

Course content and announcements will be posted on Blackboard.

OUTLINE OF TOPICS:

1. Signaling: MWG13, G4, S4
2. Moral hazard: MWG14, S5, LM4–5
3. Adverse selection and screening: MWG13, S2–3, LM2–3
4. Mechanism design: MWG23
5. Social choice: MWG21
6. Matching