Advanced Microeconomic Theory II
Spring 2011

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Course Description: The course introduce students to modern economic theories. Topics include game theory, information economics and general equilibrium analysis. Students are expected to be familiar with microeconomics at the intermediate level and multivariate calculus.

Textbook: 1) Microeconomic Theory, Mas-Colell, Whinston and Green (MWG), Shanghai University of Finance and Economics Press, 2005; 2) Advanced Microeconomic Theory, Jehle and Reny (JR), Shanghai University of Finance and Economics Press, 2003; 3) A Course in Game Theory, Osborne and Rubinstein (OR), MIT Press, 1994. The game theory part of the course will be mainly based on class notes, MWG. The general equilibrium part will follow class notes, MWG, and Jehle and Reny.

Language: Lectures are in English and Chinese. Notes, problem sets, and exams are in English.

Course Requirement: There are 5 problem sets, a midterm and a final exam.

Grading: problem sets, 30%, midterm 35% and final 35%.
Course Outline

Part 1: Game Theory and Applications

- Normal Form Games
  MWG chapter 7, 8, Jehle and Reny chapter 7

- Extensive form Games
  MWG chapter 9, JR chapter 7

- Static Games of Incomplete Information
  MWG chapter 8.E

- Auction Theory
  JR chapter 9

- Adverse Selection, Screening and Signaling
  JR chapter 8

- Moral hazard and principal-agent problem
  MWG chapter 14

- Repeated Games and application.

  **NOTE:** To be covered after we finish General equilibrium

  OR chapter 8, lecture notes

  Articles:


Part 2: General Equilibrium

• Simple exchange economy
  JR chapter 5, lecture notes

• Production economy
  JR chapter 5, lecture notes