Economics 818

The Economics of Information: Syllabus and Reading List

Course Objectives: This course will provide you with useful tools for understanding current research and performing your own research on theoretical economic models with asymmetric information. The course will also expose you to current "frontier" work and "classic" articles on a wide range of information-related topics.

Course Requirements: Students will be required to present one of the papers to the class and to write a short (5 page) referee's report on a (different) relevant paper. The presentation and referee's report each will make up 50% of the final grade. If there is not enough time for everyone to present a paper, then a take-home final exam will be given to those who do not present a paper.

(Papers preceded by an asterisk, *, are required and will probably be covered in class. Other papers are for your information. Survey papers are marked with **.)

I. Preliminaries


II. Subjectivity, Correlation, and Common Knowledge


### III. Speculation and Asset Markets


### IV. "Walrasian" Rational Expectations Models


V. Rational Expectations with Explicit Price Formation (including Auction Markets)


VI. Bank Runs and Financial Crises


VII. Information Cascades


VIII. Signalling Models


IX. Search Models


X. Mechanism Design


XI. Miscellaneous Topics


Note to students of Industrial Organization: The Economics of Information is extremely important to the study of Industrial Organization, and many of the papers covered are explicitly IO papers. However, this course does not provide complete coverage of IO theory. Topics that may not be covered include:
2. Contract theory.
3. Product differentiation and spatial competition.
4. Price discrimination.
5. Reputation, predation, and limit pricing.
6. Research and development.

This publication/material is available in alternative formats upon request. Please contact John-David Slaughter (410-F Arps Hall, 292-6702) for further information. Students with disabilities are responsible for making their needs known to the instructor and seeking assistance in a timely manner.