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.

(Papers that are pointed to, L, are required and will probably be covered in class. Other papers are for your information. Survey papers are marked with a ( ).

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. Principal-Agent Models. Part I: Hidden Information

The Single-Agent Model


**Multi-Agent Models: Mechanism Design**


FT sections 7.4, 7.5.


**Dynamic Models**


VII. The Principal-Agent Model. Part II: Moral Hazard

The Single-Agent Model


(R MG Chapter 14, Section B.


Multi-Agent Models


Dynamic Models


**VIII. Information Cascades**


**IX. Signalling Models**


**X. Search Models**


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