

# ADVANCED MICROECONOMICS I: SYLLABUS

Instructor: Xiang Sun

Wuhan University, Economics and Management School  
Academic Year 2018–2019, Semester 1

**Chinese title:** 高级微观经济学 1

**Prerequisite:** Calculus, Probability, Intermediate Microeconomics, Basic Game Theory

**Course description:** In this course, we mainly talk about the information economics and related parts. Adverse selection and moral hazard are our focus.

**Modular credit:** 3 modular credits

**Modular number:**

**Time:** Week 1–16, Wednesday 14:05–16:30

**Venue:** 教五-107

**Module website:** [Google classroom](#) (class code: 6dbvy3g) (VPN may be needed), for announcements, lecture notes downloading, and homework submissions.

**Instructor:** 孙祥

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**Office hours:** By email appointment

**Teaching assistants:** 田楚杰

**Main references:**

- Andreu Mas-Colell, Michael D. Whinston, Jerry R. Green, *Microeconomic Theory*, Oxford University Press, 1995.

**Language:**

	Lecture notes	Lectures	Homework sets	Mid-term test	Final examination
Chinese		✓			
English	✓	✓	✓	✓	✓

**Supplementary readings:**

- Geoffrey A. Jehle and Philip J. Reny, *Advanced Microeconomic Theory* (3rd Edition), Prentice Hall, 2011.
- Ariel Rubinstein, *Lecture Notes in Microeconomic Theory*. The electronic version is available at [Rubinstein's home-page](#).
- Jean-Jacques Laffont and David Martimort, *The Theory of Incentives: The Principal-Agent Model*, Princeton University Press, 2002.
- 田国强, 高级微观经济学, 中国人民大学出版社.
- 陈钊, 信息与激励经济学, 格致出版社.

**Grading:**

- Homework: 40%, PDF file, with name and ID, uploaded to [Google classroom](#) (class code: 6dbvy3g)
- Closed-book final examination: 60%
  - Date and time: Examination week
  - Venue: TBA
  - Scope: Lectures 1–15

**Examination policy:**

- Each student should bring the student card with clear photo ID.
- Each student can bring one A4-size two-sided hand-written helpsheet.
- No permission is ever given to a student to write the mid-term test (if any) or final examination in advance of its date.
- Cheating = 0 mark
- The student who misses the mid-term test (if any) can have the weight of the missed mid-term test (if any) shifted to the final examination, if both of the following conditions are met:
  - The student notifies the instructor via e-mail and in advance of the date and time that the mid-term test (if any) will be missed.
  - The student submits an official medical certificate to the instructor within 3 working days of final examination.
- Students who do not write the mid-term test, and fail to meet both criteria receive a 0 mark.
- There is no make-up for the mid-term test (if any) or the final examination.

**Course outline:**

- Part 1: Uncertainty
- Part 2: Information economics
- Part 3: Externalities and public goods

**Tentative time table:**

Week	Lecture	Date	[MWG]	Topics	Remarks
1	1	Sep. 5	3.B–C, 6.B	Preference	
2	2	Sep. 12	6.B	Expected utility theorem	
3	3	Sep. 19	6.C	Risk aversion	
4	4	Sep. 26	6.D	Stochastic dominance	
5		Oct. 3			Holiday
6	5	Oct. 10		Prospect theory, Blackwell theorem	
7	6	Oct. 17	13.A–B	Adverse selection 1	
8	7	Oct. 24	13.B	Adverse selection 2	
9	8	Oct. 31	13.C	Signaling 1	
10	9	Nov. 7	13.C	Signaling 2	
11	10	Nov. 14	13.D	Screening 1	
12	11	Nov. 21	14.C	Screening 2	
13	12	Nov. 28	14.B	Moral hazard 1	
14	13	Dec. 5	14.B	Moral hazard 2	
15	14	Dec. 12		Verifiability	
16	15	Dec. 19	11.A–C	Externalities and public goods	
17	16	Dec. 26		Tutorial	