

# ADVANCED MICROECONOMICS I: SYLLABUS

Instructor: Xiang Sun

Wuhan University, Economics and Management School  
Academic Year 2019–2020, 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:** EC311/0200058

**Time:** Week 1–17, Wednesday 14:05–16:30

**Venue:** 5-105

**Module website:** <https://www.xiangsun.org/teaching>, for announcements and lecture notes downloading.

**Instructor:** 孙祥

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  - Before asking questions, please briefly read [提问的智慧](#).
  - Before sending e-mails, please read Topic 7 in [WISE 学生礼仪指南](#).
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**Office hours:** By email appointment

**Teaching assistants:** 史铭霏, [mingfei.shi@whu.edu.cn](mailto:mingfei.shi@whu.edu.cn).

### Main references:

- [MWG] Andreu Mas-Colell, Michael D. Whinston, and Jerry R. Green, *Microeconomic Theory*, Oxford University Press, 1995.
- [LM] Jean-Jacques Laffont and David Martimort, *The Theory of Incentives: The Principal-Agent Model*, Princeton University Press, 2002.
- [BD] Patrick Bolton and Mathias Dewatripont, *Contract Theory*, The MIT Press, 2005.

### Language:

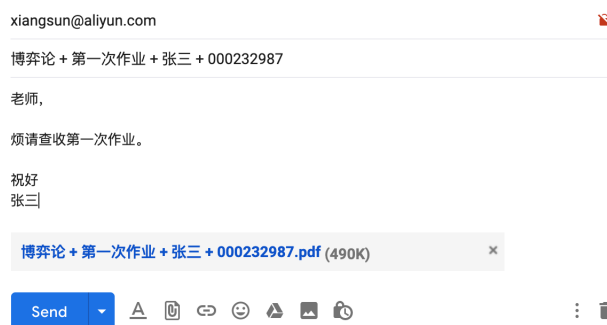
	Lecture notes	Lectures	Homework sets	Mid-term test	Final examination
Chinese		✓			
English	✓	✓	✓	✓	✓

### Supplementary readings:

- 陈钊, *信息与激励经济学*, 格致出版社.
- 田国强, *高级微观经济学*, 中国人民大学出版社.
- Geoffrey A. Jehle and Philip J. Reny, *Advanced Microeconomic Theory* (3rd Edition), Prentice Hall, 2011.

### Grading:

- Homework: 30%
  - Prepare the homework as a single PDF file, with the title “课程名 + 第几次作业 + 姓名 + 学号”.
  - E-mail the PDF homework to [xiangsun@aliyun.com](mailto:xiangsun@aliyun.com) before the corresponding deadline.
  - The title of e-mail should be “课程名 + 第几次作业 + 姓名 + 学号”.
  - Sample



- Closed-book mid-term test: 20%–30%
  - Date and time: Week 9
  - Venue:
  - Scope: Lectures 1–7
  - Each student can only bring the lecture notes.
- Closed-book final examination: 40%–50%
  - Date and time: Dec. 29, 2019, 14:30–16:30

- Venue: 1 ☒ 3-204
- Scope: Lectures 1–14
- Each student can only bring the lecture notes.

**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.
- Cheating = 0 mark.
- No permission is ever given to a student to write the mid-term test or final examination in advance of its date.
- There is no make-up for the mid-term test (if any) or the final examination (if any).
- The student who misses the mid-term test (if any) can have the weight of the missed mid-term test 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 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 (if any), and fail to meet both criteria receive a 0 mark.

- For the student who misses the final examination (if any), the University policy applies.

**Course outline:**

- Part 1: Adverse selection in the competitive environment
- Part 2: Principle-agent model (adverse selection, moral hazard, and nonverifiability)
- Part 3: Externalities and public goods

**Tentative time table:**

Week	Lecture	Date	Topics	Remarks	
1	1	Sep. 4	[MWG] 10.A–B	Competitive markets 1	
2	2	Sep. 11	[MWG] 10.B–C	Competitive markets 2	
3	3	Sep. 18	[MWG] 13.A–B	Adverse selection 1	
4	4	Sep. 25	[MWG] 13.B	Adverse selection 2	
5		Oct. 2		Holiday	
6	5	Oct. 9	[MWG] 13.C		Competitive signaling 1
7	6	Oct. 16	[MWG] 13.C		Competitive signaling 2
8	7	Oct. 23	[MWG] 13.D	Competitive screening	
9		Oct. 30		Mid-term test	
10	8	Nov. 6	[MWG] 14.C, [LM] 2.1–2.6	Monopolistic screening	
11	9	Nov. 13	[MWG] 14.C, [LM] 2.1–2.6	Monopolistic screening	
12	10	Nov. 20	[LM] 2.6.3, 2.10.2, 3.1	Monopolistic screening	
13	11	Nov. 27	[MWG] 14.B, [LM] 4.1–4.3	Moral hazard 1	
14	12	Dec. 4	[MWG] 14.B, [LM] 4.3–4.4	Moral hazard 2	
15	13	Dec. 11	[LM] 6	Nonverifiability	
16	14	Dec. 18	[MWG] 11.A–C	Externalities and public goods	
17		Dec. 25		Tutorial	
18		Dec. 29		Final examination	