

# ADVANCED MICROECONOMICS III: SYLLABUS

Instructor: Xiang Sun

Wuhan University, Economics and Management School  
Academic Year 2019–2020, Semester 2

**Chinese title:** 高级微观经济学（第三部分）

**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:** 1.5 modular credits

**Modular number:**

**Time:** Online

**Venue:** Online

**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:**

**Main references:**

- Andreu Mas-Colell, Michael D. Whinston, and Jerry R. Green, *Microeconomic Theory*, Oxford University Press, 1995.
- Jean-Jacques Laffont and David Martimort, *The Theory of Incentives: The Principal-Agent Model*, Princeton University Press, 2002.
- 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.

**Language:**

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

**Grading:** Closed-book final examination: 100%

- Date and time: TBA
- Venue: TBA
- Scope: Notes 1–9

**Examination policy:**

- Each student should bring the student card with clear photo ID.
- 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
  - Competitive markets
  - Adverse selection in the competitive environment
  - (Competitive) signaling
  - Competitive screening
- Part 2: Principle-agent model (adverse selection, moral hazard, and nonverifiability)

- Adverse selection and monopolistic screening
- Moral hazard
- Nonverifiability
- Part 3: Externalities and public goods
  - Externalities
  - Public goods