Advanced Microeconomics I: Syllabus

Instructor: Xiang Sun

Wuhan University, Economics and Management School
Academic Year 2020–2021, 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

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

Venue: 3-303

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 e-mail appointment

Teaching assistants: 黄莹 (E-mail: 2016300070049@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.

Language:

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

Supplementary readings:

- Video on bilibili.
- 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.
  - Upload PDF homework to 坚果云收件箱 before the corresponding deadlines.
- Closed-book mid-term test: 20%–30%
  - Date and time: Week 9
  - Venue:
  - Scope: Lectures 1–7
- Closed-book final examination: 40%–50%
  - Date and time: January 2, 2021, 18:30–20:30
  - Venue: 4-102
  - Scope: All lectures

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. 9	[MWG] 10.A–B	Competitive markets 1	
2	2	Sep. 16	[MWG] 10.B–C	Competitive markets 2	
3	3	Sep. 23	[MWG] 13.A–B	Adverse selection 1	Hw1 due
4	4	Sep. 30	[MWG] 13.B	Adverse selection 2	
5	5	Oct. 7	[MWG] 13.C	Competitive signaling 1	Hw2 due
6	6	Oct. 14	[MWG] 13.C	Competitive signaling 2	
7	7	Oct. 21	[MWG] 13.D	Competitive screening	Hw3 due
8		Oct. 28		Mid-term test	Hw4 due
9	8	Nov. 4	[MWG] 14.C, [LM] 2.1–2.6	Monopolistic screening	
10	9	Nov. 11	[MWG] 14.C, [LM] 2.1–2.6	Monopolistic screening	
11	10	Nov. 18	[LM] 2.6.3, 2.10.2, 3.1	Monopolistic screening	
12	11	Nov. 25	[MWG] 14.B, [LM] 4.1–4.3	Moral hazard 1	Hw5 due
13	12	Dec. 2	[MWG] 14.B, [LM] 4.3–4.4	Moral hazard 2	
14	13	Dec. 9	[LM] 6	Nonverifiability	Hw6 due
15	14	Dec. 16	[MWG] 11.A–C	Externalities and public goods	
16		Dec. 23		Tutorial	Hw7 due
		Jan. 2		Final examination	