

ADVANCED MICROECONOMICS III: SYLLABUS

Instructor: Xiang Sun

Wuhan University, Economics and Management School
Academic Year 2020–2021, 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: Week 8–11, Monday 18:30–21:00, Wednesday 09:50–12:15

Venue: B251

Module website: <https://www.xiangsun.org/teaching>, for teaching material and course announcements.

Instructor: 孙祥

- E-mail: xiangsun.econ@gmail.com.
 - 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](#).
- Homepage: <https://www.xiangsun.org>.
- Office: Room A227, Liangsheng Building
- Mailbox: 11-13
- Office hours: By e-mail appointment

Teaching assistants: Not applicable

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.

- 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:

- Homework: 30%
 - Prepare the homework as a SINGLE PDF file.
 - Upload PDF homework to 坚果云收件箱 before the corresponding deadlines.
 - The late submission is not allowed.
- Closed-book final examination: 70%
 - Date and time: mid-late May 2021
 - Venue: TBA
 - Scope: All lectures

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

Tentative time table:

Week	Lecture	Date		Topics	Homework
8	1	Apr. 12	[MWG] 10.A-C	Competitive markets	10.C.1
8	2	Apr. 14	[MWG] 13.A-B	Adverse selection	13.B.5
9	3	Apr. 19	[MWG] 13.C	Competitive signaling	13.C.2 , 13.C.4
9	4	Apr. 21	[MWG] 13.D	Competitive screening	13.D.1 , 13.D.3
9	5	Apr. 25	[MWG] 14.C, [LM] 2.1-2.6	Monopolistic screening	14.C.6
10	6	Apr. 26	[LM] 2.6.3, 3.1	Monopolistic screening	14.C.7
11	7	May 8	[MWG] 14.B, [LM] 4.1-4.3	Moral hazard	14.B.4
12	8	May 10	[LM] 6	Nonverifiability	
		June 7		Final examination	