

Microeconomics II: Game Theory
Winter 2012
Thurs 17:00-19:00, Fri 17:00-19:00
University of Alicante- QED

Instructor:

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office hours: after class on Thurs and Fri, or by appointment (email me)

Teaching Assistant:

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practice sessions: (time TBA)

Objective:

To learn a methodology that can be used in order to model and analyze the interactions of agents in strategic situations.

Main Text: (will be followed fairly closely)

Mas-Colell, Whinston, and Green (henceforth MWG), *Microeconomic Theory*

Other texts you may want to consult:

Grad level: Fudenberg and Tirole, *Game Theory*; Kreps, *A Course in Microeconomic Theory*; Varian, *Microeconomic Analysis*; Osborne and Rubenstein, *A Course in Game Theory*; Vega-Redondo, *Economics and the Theory of Games*; Gibbons, *Game Theory for Applied Economists*

Advanced Undergrad level: Dixit and Skeath, *Games of strategy*; Watson, *Strategy*

Course Outline and Required Readings:

1. Basics of Game Theory (MWG Ch. 7)
2. Static Games/ Basic Solution Concepts (MWG Ch. 8)
3. Dynamic Games/ Refinements (MWG Ch. 9 + MWG pgs. 401-413)
4. Incomplete Information (MWG pgs. 253-257, 282-296; contained in Ch. 8&9)

Course Grading:

Class participation and problem sets (4)- 10%
Midterm (10 Feb 2012- in class; two hours) - 30%
Final (date/time TBA; three hours) - 60%

On Problem Sets (4): I strongly encourage you to first work through the problems alone; in this way you will both learn the most and enjoy the class the most. Meeting with others is good to help you catch mistakes, to get you unstuck if you are stuck, and to expose you to alternative problem-solving approaches. Each student must hand in his/her own authentic responses. Problems will be similar to what you will see on the Midterm and Final.