

Syllabus for Intermediate Microeconomics (310-2)

Northwestern University, Spring 2019, Tuesday/Thursday, 15:30-16:50

Instructor: Harry Pei.

Office Hours: Tuesday 17:15-18:15 @KGH 3391.

Email: harrydp@northwestern.edu

Teaching Assistants: TBA

Recommended Textbooks (not required, no need to buy):

Robert Gibbons “Game Theory for Applied Economists,” Princeton University Press.

David Besanko and Ronald Braeutigam “Microeconomics,” any edition, Wiley.

Grading:

1. 75%: 3 in-class exams (25% each). There will be **no** make-up exams. Any missed exam will have its weight added to the 3rd exam on May 30th.
2. 25%: 8 weekly problem sets. There will be a problem set due each Tuesday from week 2 to 9. We only count the *7 highest grades*. Discussions among students are highly encouraged. However, students are required to turn in their own problem sets.
3. In class participation will be used for students who fall on a cutoff between two grades.

Course goals:

1. Improve abstract reasoning, especially as it relates to the economic topics listed below.
2. Develop tools used to predict outcomes when people make decisions in isolation and when people interact with each other.
3. Gain deeper intuition for economic concepts, such as *equilibrium* and *rationalizability*.
4. Practice problem solving, including both formal logic and numeric calculations.

Course Materials:

- Week 1: Preference, choice and utility function.
- Week 2: Risk and uncertainty .
- Week 3: Allais paradox and Ellsberg paradox.

Thursday (April 18th, in class): 1st exam.

- Week 4: Normal form games: equilibrium and rationalizability.

- Week 5: Extensive form games: subgame perfection and backward induction.
- Week 6: Repeated games.

Thursday (May 9th, in class): 2nd exam.

- Week 7: Incomplete information games.
- Week 8: Adverse selection and market failures.
- Week 9: Signaling games and refinements.

Thursday (May 30th, in class): 3rd exam.

AccessibleNU: Any student requesting accommodations related to a disability or other condition is required to register with AccessibleNU (accessiblenu@northwestern.edu; 847-467-5530) and provide professors with an accommodation notification from AccessibleNU, preferably within the first two weeks of class. All information will remain confidential.

Laptop Computer Policy: Except in the case of proven medical necessity, students may not use a laptop computer or computer tablet during the lectures. Such devices must remain in your bag, and may not be placed on your desk.

Mobile Communications Policy: Mobile telephone devices should have the ringer turned off and be placed in pockets or backpacks. Students may not make or receive phone calls, surf the web, or send or receive text messages during class.