The Ohio State University
Department of Economics
Winter 2012

Classes: M, W 11:30-1:18 (Ramseyer 0065)
Recitations: F 11:30-1:18 (Journalism 304)
F 1:30-3:18 (Arps 0177)

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T 1:30-2:30
TH 10:00-12:00
(or by appointment)

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Course Website: http://www.econ.ohio-state.edu/jpeck/Econ805.htm

Syllabus—Microeconomic Theory II

Required Text:

Optional Texts:

Course Objectives: The course covers general equilibrium theory, including existence and welfare theorems, production, and uncertainty. We will cover insurance and securities markets with uncertainty but symmetric information. We then move on to various notions of perfect competition with asymmetric information. There will be an extensive introduction to game theory, which we use to analyze imperfect competition.
Course Requirements: There will be a midterm and final exam, on February 8 and March 16. The final covers only material presented after the midterm, but sometimes building on material presented earlier. There will be about 4 problem sets, which must be turned in on time. The problem set will be discussed in the Friday recitations.

Exams must be taken at the scheduled time: There will be no make-ups of exams. If the midterm is missed, with a valid excuse, the final will count for 90% of the course grade.

Grading: Midterm 40%, Final 50%, and problem sets 10% in total.

Midterm Exam: Wednesday, February 8, in class.

Final Exam: Monday, March 12, at 11:30 – 1:18, in class.

<table>
<thead>
<tr>
<th>Lecture #/Date</th>
<th>Subject</th>
<th>Reading</th>
<th>Comments</th>
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<tbody>
<tr>
<td>1. Jan 04</td>
<td>Intro and start General Equilibrium</td>
<td>M-16</td>
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<tr>
<td>2. Jan 09</td>
<td>General Equilibrium Walras’ Law</td>
<td>M-16</td>
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<td>3. Jan 11</td>
<td>Existence of Equilibrium</td>
<td>M-16</td>
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<td>4. Jan 16</td>
<td>No class—MLK Day</td>
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<td>5. Jan 18</td>
<td>First Welfare Theorem</td>
<td>M-16</td>
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<td>6. Jan 23</td>
<td>Second Welfare Theorem</td>
<td>M-16</td>
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<td>7. Jan 25</td>
<td>Characterizations when utility is differentiable and concave</td>
<td>M-16</td>
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<td>8. Jan 30</td>
<td>GE with Production</td>
<td>M-16</td>
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<td>9. Feb 01</td>
<td>GE with Uncertainty</td>
<td>M-19</td>
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<td>10. Feb 06</td>
<td>GE with Uncertainty (contd)</td>
<td>M-19 Arrow (1964)</td>
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<td>11. Feb 08</td>
<td>Midterm Exam</td>
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<td>12. Feb 13</td>
<td>Insurance with asymmetric information (screening)</td>
<td>M-13 Rothschild-Stiglitz</td>
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13. Feb 15
Extensive form and normal form representations of games
Simultaneous move games, dominant strategies
M-7
M-8, a,b,c
This year I am skipping the Akerlof Lemons model

14. Feb 20
Nash equilibrium in pure and mixed strategies
M-8, c,d

15. Feb 22
Bayesian Nash equilibrium
M-8, e,f

16. Feb 27
Extensive form games: subgame perfect equilibrium
M-9, a,b

17. Feb 29
Beliefs and sequential rationality
M-9 c,d

18. Mar 05
Spence’s signaling game
M-13
Spence (1973)

19. Mar 07
Monopoly and price discrimination
M-12

Time permitting
Oligopoly: Cournot and Bertrand
M-12

20. Mar 12
Final Exam


Academic Misconduct

It is the responsibility of the Committee on Academic Misconduct to investigate or establish procedures for the investigation of all reported cases of student academic misconduct. The term “academic misconduct” includes all forms of student academic misconduct wherever committed; illustrated by, but not limited to, cases of plagiarism and dishonest practices in connection with examinations. Instructors shall report all instances of alleged academic misconduct to the
committee (Faculty Rule 3335-5-487). For additional information, see the Code of Student Conduct (http://studentaffairs.osu.edu/resource_csc.asp).

Disability Services

Students with disabilities that have been certified by the Office for Disability Services will be appropriately accommodated, and should inform the instructor as soon as possible of their needs. The Office for Disability Services is located in 150 Pomerene Hall, 1760 Neil Avenue; telephone 292-3307, TDD 292-0901; http://www.ods.ohio-state.edu/.