

Bavarian Graduate Program in Economics (BGPE)
A Course on Game Theory and Information Economics
August 14 - August 19, 2016

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Course Outline

The course provides a short introduction to game theory and to the field known as “information economics.” Topics covered include normal and extensive form games, with complete and incomplete information, as well as more advanced topics such as sequential rationality, auctions, revenue equivalence, the winner’s curse, mechanism design, and reputation. Many examples, both abstract and more applied will be presented.

Please note that the course will start on Sunday, August 14, in the evening with a welcome meeting at 19:00 followed by dinner.

The **Final Examination** will take place on September 2, 2016.

Prerequisites The course is self contained. Basic knowledge of probability and calculus is assumed.

Tentative Lecture Plan

Sunday (14/8) Brief Introduction

19:00-19:30 Brief Introduction

19:30- Dinner

Monday (15/8) Strategic Form Games

7:00-9:30 Breakfast

9:30-10:45 *Lecture 1: Dominant Strategies*

10:45-11:00 Coffee break

11:00-12:15 *Lecture 2: Successive Elimination of Strictly Dominated Strategies*

12:15-14:00 Lunch

14:00-15:15 *Lecture 3: Nash Equilibrium*

15:15-15:45 Coffee break

15:45-17:00 *Lecture 4: Existence of Nash Equilibrium*

17:00-19:00 Free time

19:00- Dinner

Tuesday (16/8) Extensive Form Games

7:00-9:30 Breakfast

9:30-10:45 *Lecture 5: Backwards Induction*

10:45-11:00 Coffee break

11:00-12:15 *Lecture 6: Subgame Perfect Equilibrium*

12:15-14:00 Lunch

14:00-15:15 *Lecture 7: Rubinstein's Model of Alternating Offer Bargaining*

15:15-15:45 Coffee break

15:45-17:00 *Lecture 8: Repeated Games*

17:00-19:00 Free time

19:00- Dinner

Wednesday (17/8) Games with Incomplete Information

7:00-9:30 Breakfast

9:30-10:45 *Lecture 9: Sequential Rationality*

10:45-11:00 Coffee break

11:00-12:15 *Lecture 10: Bayesian Games*

12:15-14:00 Lunch

14:00-15:15 *Lecture 11: Auctions with Private Values 1*

15:15-15:45 Coffee break

15:45-17:00 *Lecture 12: Auctions with Private Values 2*

17:00-19:00 Free time

19:00- Dinner

Thursday (18/8) Auctions and Mechanism Design

7:00-9:30 Breakfast

9:30-10:45 *Lecture 13: Revenue Equivalence*

10:45-11:00 Coffee break

11:00-12:15 *Lecture 14: The Winner's Curse*

12:15-14:00 Lunch

14:00-15:15 *Lecture 15: Introduction to Mechanism Design*

15:15-15:45 Coffee break

15:45-17:00 *Lecture 16: Mechanism Design: Bilateral Trade*

17:00-19:00 Free time

19:00- Dinner

Friday (19/8) Reputation

7:00-9:30 Breakfast

9:30-10:45 *Lecture 17: Good Reputation*

10:45-11:00 Coffee break

11:00-12:15 *Lecture 18: Bad Reputation*

12:15-14:00 Lunch