Spring 2015
Economics 712-007: Topics in Economic Theory
Matching, Investments, Entropy, Reputations
August 26, 2015

Class time and place: Mon and Wed 10:30-12:00 in McNeil 110.
Instructor: George J. Mailath, McNeil 432, 898-7908 gmailath@econ.upenn.edu;
office hours: Mon and Wed 4-5 or by appointment.
Assessment: The final grade in the course will be determined by class discussion and either a
research proposal or a critical survey for each part. I will discuss the details in class. The research
proposal/critical survey for matching is due noon, October 19 and for reputations is due noon,
November 16.

Outline: The following is a good (if ambitious) outline of what I intend to cover. Being ambitious,
it is subject to change.

Matching and Investments

1. Finite assignment games with prematch investments.
   Cole, Mailath, and Postlewaite (2001a)

2. The general nonatomic matching model with TU.
   Gretsky, Ostroy, and Zame (1992, 1999); Cole, Mailath, and Postlewaite (2001b)
   additional readings: Ekeland (2010); Chiappori, McCann, and Nesheim (2010)

3. The general nonatomic matching model with NTU.
   Legros and Newman (2007); Chiappori and Reny (forthcoming)

4. Prematch investments in the nonatomic model
   Cole, Mailath, and Postlewaite (2001b); Dizdar (2012); Nöldeke and Samuelson (2015); Peters and Siow (2002)

5. Search and assortative and stable matchings
   Lauermann (2013); Lauermann and Nöldeke (2014);
   Burdett and Coles (1997); Shimer and Smith (2000)

6. Matching under incomplete information
   Wilson (1978); Cole, Mailath, and Postlewaite (1995); Hopkins (2012); Hoppe, Moldovanu, and Sela (2009);
Reputations

1. An introduction to reputations
   The textbook treatment: Mailath and Samuelson (2006)

2. Reputations via entropy
   Gossner (2011); Mailath and Samuelson (2014).
   additional readings: Blackwell and Dubins (1962); Cover and Thomas (2006, chapter 2); Gossner and Tomala (2008); Cabrales, Gossner, and Serrano (2013); Wiseman (2009); Hu (2014); Ekmekci, Gossner, and Wilson (2012)

3. Disappearing reputations
   Cripps, Mailath, and Samuelson (2004, 2007)

4. Reputations with long-lived players
   Aumann and Sorin (1989); Schmidt (1993)

5. Applications of reputations
   Mailath and Samuelson (2001); Phelan (2006); Liu (2011); Jehiel and Samuelson (2012)

6. Reputations and bargaining
   Chatterjee and Samuelson (1987, 1988); Abreu and Gul (2000)

References


