ECON 212: Game Theory (Fall Term, 2017)

Instructor: Annie Liang
Office: 462 McNeil Building
Email: liang.annie.h@gmail.com
Office Hours: Wednesdays 4-5PM

Teaching Assistant: Hanna Wang
Office: 328 McNeil Building
Email: hannaw@sas.upenn.edu
Office Hours: Tuesdays 1:30-2:30PM

Class: MW 10:30-12PM


Prerequisites: Econ 101 and Math 114/115 in a previous semester.

Lecture Notes: Slides will be posted the day before lecture.

Problem Sets: There will be six problem sets. No late submissions are allowed, but your lowest problem set score will be dropped when computing your course grade.

Grading: There will be two midterms and one final exam. The final exam is worth 35% of the total grade, each midterm is worth 20%, and each problem set is worth 5%.

Exam Dates:
Midterms: Oct. 2 and Nov. 1 (in class). The lectures before the midterms (Sept. 27 and Oct. 30) will be reviews. Final Exam (Tentative): Dec. 19, 9-11AM (Tuesday)

Other: There will be no class on Nov. 20 (Monday) so that students who leave early for Thanksgiving Break do not need to make up any material. Also, notice that Nov. 22 (Wednesday) has a Friday schedule.

Students have two weeks from the day in which examinations are returned to report errors in grading and/or to request that problems be re-graded. If a student submits his/her exam for re-grading, then the student’s entire exam will be re-graded (with no guarantee of a higher total score).

Topics:

Foundations
Preference, Expected Utility

Representation of a Game
Extensive form, strategies.
- Required reading: Watson, Chapters 1-3
Normal form, beliefs.
- Required reading: Watson, Chapters 3-4

Normal-Form Games
Best Response, Rationalizability
- Required reading: Watson, Chapters 6-8
Nash Equilibrium
  • Required reading: Watson, Chapters 9-10
Mixed Strategies, Minimax
  • Required reading: Watson, Chapters 11-12

**Extensive-Form Games**
Extensive-Form, Backwards Induction, Subgame-Perfection
  • Required reading: Watson, Chapters 14-15
IO Applications
  • Required reading: Watson, Chapters 16-17
Bargaining
  • Required reading: Watson, Chapters 18-19
Repeated Games, Applications
  • Required reading: Watson, Chapters 22-23

**Other Topics**
Random Events, Incomplete Information
  • Required reading: Watson, Chapter 24
Risk and Contracting
  • Required reading: Watson, Chapter 25
Bayesian Equilibrium, Applications
  • Required reading: Watson, Chapters 26-27
PBE, Applications
  • Required reading: Watson, Chapters 28-29
Common Knowledge, Email Game