Economics 712: Fall 2020
Advanced Topics in Economic Theory: Information and Learning

This is an advanced topics course about information and learning. We will first study the basic underpinnings of modeling information in economic decisions, including measuring the value of information and information design. We will use these frameworks to study markets for information. We will then study the foundations of learning in economic settings, with a focus on social learning and experimentation. We will use these models to study how model misspecification (i.e. a systematically incorrect, or misspecified, understanding of the world) impacts learning. Model misspecification can be used to capture many common behavioral biases, such as overconfidence, correlation neglect, and the false consensus effect. We will explore how these different biases impact learning in a variety of economic settings, and connect recent theoretical advances to the empirical literature documenting such biases.

The goal of the course is to deepen your understanding of recent developments in two active areas of research in microeconomic theory, and to provide you with tools and techniques to transition from coursework to research.

Course Logistics

**Instructor.** Aislinn Bohren  
**Email.** abohren@sas.upenn.edu  
**Lecture.** Tu/Th 12-1:30pm on Zoom

Course Content

All course material will be posted on Canvas.

**Reading.** Readings will consist of journal articles (there is no text for the course). You should read all of the papers that we cover in class. Reading papers at this stage is a great way to help you think about how to ask and answer research questions, and exposit your ideas.

**Referee report.** Each of you will write one referee report. This should be about 2-3 pages, briefly summarizing the main results and techniques in the paper, evaluating the technical and conceptual contributions, and listing any suggested improvements or additions. I will send you a list of potential papers to referee.

**Presentation.** I will ask each of you to present a paper. Presentations should be about 45 minutes and will be organized throughout the semester. They will focus on recent job market papers and working papers so you can get a sense of what makes a good theory paper in today’s market.
Participation. In-class discussion will be an essential part of the course. These discussions will focus on the readings, including critiquing the model and results, discussing the conceptual contributions of the papers, and evaluating their contributions relative to the existing literature. In order to actively participate in these discussions, it is important to read and think through the material before class. I will also have you submit a brief summary of your thoughts and questions on a paper we will discuss before each class.

Prerequisites.

You should have taken the first year Ph.D. sequence in the Economics department or have received consent from me. In general, you should be comfortable with real analysis, probability theory, and standard equilibrium concepts.