Microeconomics II: the block opening

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The four subjects covered in the course

1. **Non-cooperative game theory**
2. **Information economics**
3. **Auctions and mechanism design**
4. **Social choice**
Non-cooperative Game Theory
Nash equilibrium
and Nash existence theorem (1951)

John Nash (b. 1928)
Games with incomplete information
Bayesian–Nash equilibrium (1967)

János (John) Harsányi
(1920–2000)
Subgame perfect equilibrium (1965)

Reinhard Selten (b. 1930)
Sequential equilibrium (1982)

David Kreps (b. 1950)

Robert Wilson (b. 1937)
Nobel prizes

1994  John C. Harsanyi, John F. Nash Jr. and Reinhard Selten
      "for their pioneering analysis of equilibria in the theory of
      non-cooperative games"

2005  Robert J. Aumann and Thomas C. Schelling
      "for having enhanced our understanding of conflict and
      cooperation through game-theory analysis"

2012  Alvin E. Roth and Lloyd S. Shapley
      "for the theory of stable allocations and the practice of
      market design"
INFORMATION ECONOMICS
Adverse selection

The Market for Lemons (1970)

George Akerlof (b. 1940)
Job market signalling (1973)

Michael Spence (b. 1943)
Nobel prize

2000  George A. Akerlof, A. Michael Spence and Joseph E. Stiglitz
"for their analyses of markets with asymmetric information"
Auctions and mechanism design
Auctions (1961, 1962)

William Vickrey
(1914-1996)
Revenue equivalence theorem

Optimal auction design (1981)

Roger Myerson (b. 1951)
Nobel prizes

1996 James A. Mirrlees and William Vickrey
"for their fundamental contributions to the economic theory of incentives under asymmetric information"

2007 Leonid Hurwicz, Eric S. Maskin and Roger B. Myerson
"for having laid the foundations of mechanism design theory"
Social choice
Arrow’s impossibility theorem (1950)

Kenneth Arrow (b. 1921)
Nobel prizes

1972  John R. Hicks and Kenneth J. Arrow
      "for their pioneering contributions to general economic equilibrium theory and welfare theory"

1998  Amartya Sen
      "for his contributions to welfare economics."
The main text

Geoffrey A. Jehle
Philip J. Reny
Advanced Microeconomic Theory
third edition
Recommended text

Andreu Mas–Colell
Micheal D. Whinston
Jerry R. Green
Microeconomic Theory
Enjoy the course!