The Economics of Uncertainty and Asymmetric Information Spring 2015

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Course setup
Lectures: lecture notes are posted on Mondo at least one day before the lecture is taking place.
Voluntary exercises: STRONGLY RECOMMENDED; answers are also posted on Mondo.
Exam: Sunday May 31st, 09.00-12.00 or Sunday August 16th, 09.00-12.00

Course content
The topics that will be covered include
1. Decisions under uncertainty
2. Contract design
3. Adverse Selection
4. Moral Hazard
5. Screening and signaling
See also the syllabus for more detailed information.

Further information
It is a good idea to test your mathematical skills well in advance of the course. Take a look at the mathematical exercises that are posted on: http://www.ne.su.se/english/education/courses-and-programmes/first-level/mathematical-exercises-123132
In case you find these exercises difficult I strongly advise you to have a look at your high school mathematics textbook or some other basic mathematics handbook. Some parts of this course are mathematically challenging and it helps a lot if you have basic mathematical knowledge (e.g. you should be familiar with calculating the derivative of a function).
The Department of Economics also offers an introductory mathematics course between January 22nd and February 20th (Matteintro för NEK II, in Swedish), which might be useful to attend if you need to refresh your high school mathematics skills.
It is not a requirement to have attended a course in intermediate microeconomics, but it makes understanding some of the concepts that I will go through easier. I will post the lecture notes for intermediate microeconomics which I used some years ago on Mondo.

Course literature
The course textbook that I will mainly use is Laffont and Martimort (2002), which is required reading. Some of the topics that I will cover are based on various chapters in Hirshleifer and Riley (1992) – this book is recommended but not required reading.

Book(s):

Articles:
http://links.jstor.org/sici?sici=0022-0515%28197912%2917%3A4%3C1375%3ATAOUAI%3E2.0.CO%3B2-8