Game Theory in Economics (Spring, 2014)

Professor and TA:

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Location and Time: Tuesday and Thursdays, 9 a.m., Campion 302. Office hours by appointment. Your TA, Gian will hold regular office hours, Mondays and Wednesday 12-13.

Description:

This course is an introduction to game theory and strategic thinking. Ideas such as dominance, backward induction, Nash equilibrium, evolutionary stability, commitment, credibility, asymmetric information, adverse selection, and signaling are discussed and applied to games played in class and to examples drawn from economics, politics, the movies, and elsewhere.

Texts:


Requirements:

Who should take this course?
This course is an introduction to game theory. We will use calculus (mostly one variable) in this course. We will also refer to ideas like probability and expectation.

Course Aims and Methods.
Game theory is a way of thinking about strategic situations. One aim of the course is to teach you some strategic considerations to take into account making your choices. A second aim is to predict how other people or organizations behave when they are in strategic settings. We will see that these aims are closely related. We will learn new concepts, methods and terminology. A third aim is to apply these tools to settings from economics and from elsewhere. The course will emphasize examples. We will also play several games in class.

Outline and Reading.
Most of the reading for this course comes from the first ten chapters of Dutta or from the first two parts of Watson.

Grading:

Problem sets: 30%
Midterm examination: 30%
Final examination: 40%