

Seung Han Yoo
shyoo@korea.ac.kr

Course Description and Scope

This course offers undergraduate-level information economics and contract theory. It covers important topics in the field including adverse selection, signaling and screening, and for each topic, we study both a simple model and a more general version to enhance intuition behind each model, while deepening our understanding of it. We will also have discussions of some of the key papers. A partial list can be found below.

Main Textbook

Lecture notes

References

Gibbons *Game Theory for Applied Economists*
Salanie *Economics of Contracts*
Laffont and Martimort *Theory of Incentives*
Krishna *Auction Theory*

Papers

Akerlof (1970) The market for lemons, *Quarterly Journal of Economics* **89**: 488-500
Spence (1973) Job market signaling, *Quarterly Journal of Economics* **87**: 355-374
Rothschild and Stiglitz (1976) Equilibrium in competitive insurance markets, *Quarterly Journal of Economics* **80**: 629-649
Holmstrom (1979) Maral hazard and obervability, *Bell Journal of Economics* **10**: 74-91
Vickrey (1961) Counterspeculation, Auctions, and Competitive Sealed Tenders, *Journal of Finance*. **16**, 8–37.

Proposed Lectures

Adverse Selection
Signaling
Screening
Principal-Agent model
Mechanism Design

Schedule TBA

Course Assessment

Homework and Class participation 30%
Midterm exam 30%
Final exam 40%

Office hours TBA