

## Neueste Ankündigungen

# PPHA 44200 1 (Winter 2022) Advanced Microeconomic s for Policy Analysis II

[Heutigen Tag aufrufen](#)

instructor [Scott Ashworth](#) [.\(http://home.uchicago.edu/~sashwort\)](http://home.uchicago.edu/~sashwort)

Please use the Message feature on Canvas to get in touch with me.

**Office Hours** M 2–3. Sign up for a slot on my [Calendy\\_page](https://calendly.com/sashwort-1/office-hours) [.\(https://calendly.com/sashwort-1/office-hours\)](https://calendly.com/sashwort-1/office-hours). Meetings will be on Zoom.

I am also available to talk immediately after class most days.

### TAs

Kisoo Kim ([kisoo@uchicago.edu](mailto:kisoo@uchicago.edu) [\(mailto:kisoo@uchicago.edu\)](mailto:kisoo@uchicago.edu).)

Ben Shaver ([blshaver@uchicago.edu](mailto:blshaver@uchicago.edu) [\(mailto:blshaver@uchicago.edu\)](mailto:blshaver@uchicago.edu).)

**Lectures** MW 4:30–5:50, in Keller 0001

**TA Session** Thursdays 2–3

**TA Office Hours** Thursdays 3–4

**Course Description** Markets and market failures: partial competitive equilibrium, externalities, market power, asymmetric information. Basic contract theory: screening, mechanism design, moral hazard.

**Requirements** The course has two requirements: problem sets and a final exam.

- There will be problem sets most weeks during the quarter. They are due at the beginning of class on Mondays. No late problem sets will be accepted. You may discuss the problems with other students, but you must write up your solutions individually.
- There will be a final exam on Wed. March 16, from 3 to 6pm.

Your final numerical grade will be determined as the minimum of the final exam score and the mean of the final exam and problem set scores.

**Prerequisites** PPHA 41501 and 44100

**Readings** We will use significant parts of two textbooks. For the first two units, we will follow *Microeconomic Theory* by Andreu Mas-Colell, Michael D. Whinston, and Jerry R. Green. For the final

unit, we will follow *Modeling Strategic Behavior* by George Mailath. Both are available in print; you can also download Mailath [here](https://cpb-us-w2.wpmucdn.com/web.sas.upenn.edu/dist/1/313/files/2017/04/Modeling_strategic_behavior_5-14-2021.pdf) [\\_ \(https://cpb-us-w2.wpmucdn.com/web.sas.upenn.edu/dist/1/313/files/2017/04/Modeling\\_strategic\\_behavior\\_5-14-2021.pdf\)](https://cpb-us-w2.wpmucdn.com/web.sas.upenn.edu/dist/1/313/files/2017/04/Modeling_strategic_behavior_5-14-2021.pdf).

A few additional readings are linked in the schedule below.

## Schedule

We have 17 course meetings. An approximate schedule of topics and readings follows.

### 1. Welfare Analysis in Partial Equilibrium (3 lectures)

- The Quasilinear Environment
  - MWG 10.B, pp. 45, 50
- Equilibrium and Efficiency in the QL Economy
  - MWG 10.C, 10.D, 10.E
- Social welfare, compensation, and role of income distribution
  - MWG 4.D, 22.C
  - Sallee, ["Pigou Creates Losers: On the Implausibility of Achieving Pareto Improvements from Efficiency-Enhancing Policies"](https://nature.berkeley.edu/~sallee/research/pigou_losers_200123.pdf) [\\_ \(https://nature.berkeley.edu/~sallee/research/pigou\\_losers\\_200123.pdf\)](https://nature.berkeley.edu/~sallee/research/pigou_losers_200123.pdf)

### 2. Classical Analysis of Market Failure (7 lectures)

- Externalities
  - MWG 11.B, 11.E
  - Bergstrom, ["When Was Coase Right?"](https://escholarship.org/content/qt48m9d8j6/qt48m9d8j6.pdf) [\\_ \(https://escholarship.org/content/qt48m9d8j6/qt48m9d8j6.pdf\)](https://escholarship.org/content/qt48m9d8j6/qt48m9d8j6.pdf)
- Pure public goods
  - MWG 11.C
  - Bergstrom, Blume, and Varian, ["On the Private Provision of Public Goods"](https://deepblue.lib.umich.edu/bitstream/handle/2027.42/26264/0000348.pdf?sequence=1&isAllowed=y) [\\_ \(https://deepblue.lib.umich.edu/bitstream/handle/2027.42/26264/0000348.pdf?sequence=1&isAllowed=y\)](https://deepblue.lib.umich.edu/bitstream/handle/2027.42/26264/0000348.pdf?sequence=1&isAllowed=y)
- Monopoly
  - MWG 12.B
  - Van Zandt, ["An Introduction to Monotone Comparative Statics"](https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.537.4570&rep=rep1&type=pdf) [\\_ \(https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.537.4570&rep=rep1&type=pdf\)](https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.537.4570&rep=rep1&type=pdf)
- Basic models of oligopoly
  - MWG 12.C, 12.D
- Entry
  - MWG 12.E, 12 appendix B
  - Mankiw and Whinston, ["Free Entry and Social Inefficiency"](https://scholar.harvard.edu/files/mankiw/files/free_entry.pdf) [\\_ \(https://scholar.harvard.edu/files/mankiw/files/free\\_entry.pdf\)](https://scholar.harvard.edu/files/mankiw/files/free_entry.pdf)
- Market with Adverse Selection

- MWG 13.B
- Milgrom, ["What the Seller Won't Tell You: Persuasion and Disclosure in Markets"](https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.22.2.115)  
(<https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.22.2.115>)
- Signalling and Screening
  - MWG 13.C, 13.D
- 3. Incentives and Mechanism Design (5 lectures)
  - Monopolistic Screening
    - Mailath 10.1–10.3
  - Dominant-Strategy Mechanisms
    - Mailath 10.4, pp. 309–310, 11.3
  - Efficient Bayesian Mechanisms
    - Mailath 12.1, 12.2
  - Bilateral Trade with Incomplete Information
    - Mailath 12.3
  - Markets Redux
    - Satterthwaite, ["Strategy-Proofness and Markets"](https://www.kellogg.northwestern.edu/faculty/satterthwaite/research/Strategy%20Proofness%20and%20Markets.pdf)  
(<https://www.kellogg.northwestern.edu/faculty/satterthwaite/research/Strategy%20Proofness%20and%20Markets.pdf>)
    - Dworzak, Kominers, and Akbarpour, ["Redistribution Through Markets"](https://web.stanford.edu/~mohamwad/Inequality.pdf)  
(<https://web.stanford.edu/~mohamwad/Inequality.pdf>)
- 4. Additional Topics in Information Economics
  - Experiments and the Value of Information
    - Holmstrom, ["Experiments and Value of Information"](https://ocw.mit.edu/courses/economics/14-124-microeconomic-theory-iv-spring-2017/readings/MIT14_124S17_Notes1.pdf) ([https://ocw.mit.edu/courses/economics/14-124-microeconomic-theory-iv-spring-2017/readings/MIT14\\_124S17\\_Notes1.pdf](https://ocw.mit.edu/courses/economics/14-124-microeconomic-theory-iv-spring-2017/readings/MIT14_124S17_Notes1.pdf))
    - Kamenica and Gentzkow, ["Bayesian Persuasion"](https://web.stanford.edu/~gentzkow/research/BayesianPersuasion.pdf) (<https://web.stanford.edu/~gentzkow/research/BayesianPersuasion.pdf>)
  - Moral Hazard
    - Mailath 13.1–13.3

## Course Policies

**Technology in the Classroom** Turn off your cell phone and store it during lecture. If you might need to receive a call during class for some reason, put your phone on vibrate and step out quietly as needed.

A [significant body](https://www.brookings.edu/research/for-better-learning-in-college-lectures-lay-down-the-laptop-and-pick-up-a-pen/) (<https://www.brookings.edu/research/for-better-learning-in-college-lectures-lay-down-the-laptop-and-pick-up-a-pen/>) of research finds that electronics, including laptops and tablets for note taking, harm learning. On the other hand, some people really do need to use electronics for one reason or another. And I am reluctant to tell a bunch of grown-ups what to do.

So, laptops and tablets are allowed in class. But there are two restrictions. First, you must use them

only for class-related activities. Second, I will designate one side of the room as electronics-free, and ask that no one use any device in that section.

## Academic Honesty

All University of Chicago students are expected to uphold the highest standards of academic Integrity and honesty. Among other things, this means that students shall not represent another's work as their own, use un-allowed materials during exams, or otherwise gain unfair academic advantage. All students suspected of academic dishonesty will be reported to the Harris Dean of Students for investigation and adjudication. The disciplinary process can result in sanctions up to and including suspension or expulsion from the University. In addition to disciplinary sanctions, I will impose a grade of 0 on any assignment on which a student has committed academic dishonesty.

The Harris policy and procedures related to academic integrity can be found [here](https://harris.uchicago.edu/gateways/current-students/policies) (<https://harris.uchicago.edu/gateways/current-students/policies>).

The University of Chicago Policy on Academic Honesty & Plagiarism can be found [here](https://studentmanual.uchicago.edu/academic-policies/academic-honesty-plagiarism/) (<https://studentmanual.uchicago.edu/academic-policies/academic-honesty-plagiarism/>).

**Mandatory Reporting** As instructors, one of our responsibilities is to help create a safe learning environment. The instructor and teaching assistants are also Individuals with Title IX Reporting Responsibilities. That means we are required to report all incidents of sexual misconduct, sexual harassment, dating violence, domestic violence, and stalking to the Title IX Coordinator for the University.

**Disability Accommodations** Students who have disability accommodations awarded by the University Student Disability Services Office should inform the Harris Dean of Students office by the end of the first week of class. The Harris Dean of Students Office will work with the student and instructor to coordinate the students' accommodations implementation.

Harris students are not required to submit their accommodations letter to the instructor. Students from other divisions in the University must submit their accommodations letter to either the instructor or the Harris Dean of Students Office.

Students who do not yet have formal accommodations in place but who feel they need accommodations on a temporary or ongoing basis should contact the Harris Dean of Students Office or Student Disability Services.

**Pandemic Policies** This course is planned as an in-person experience, and students are expected to attend class at the Keller Center, with some exceptions as discussed below. Our practices and expectations include the following:

- We will use seating charts to facilitate any needed contact tracing. During the first two weeks of class, I will pass around a sign-in sheet during each class meeting. On the sign-in sheet, please

write your name next to your seat number.

- Students must wear masks properly—covering both nose and mouth—at all times while in the classroom. Students who fail to comply will be reported to the Harris Dean of Students and UCAIR, the University's incident reporting system for COVID-19 safety matters.
- We ask that students not eat or drink during class.
- Please display your name tent every class so that I can more easily call on you by name.
- Because instructors, too, must comply with University teaching protocols, I will wear a face mask while in the classroom. If you cannot understand me even when I repeat or “try again” to speak, I will remove my mask temporarily to clarify, as long as I remain 6 feet away from the nearest person. Please do not hesitate to ask me to repeat or restate anything that is unclear at any time.

That said, of course, public health and/or personal health circumstances vary across individual members of the University community and may change abruptly with limited notice. Students, TAs, and instructors may need to participate remotely for a short time or, in some limited instances, for the entire quarter. To guide expectations and plans, please note the following:





- If you are experiencing COVID-19 symptoms or are required to isolate, do not come to class!
- As soon as possible, contact me or one of the TAs if you cannot attend class for this reason. You should not send me medical information, doctors' notes, or the results of any COVID-19 test.
- Students are expected to abide by the University's COVID-19 health requirements AND its specific Protocol for Addressing Confirmed or Suspected COVID-19 Exposures. Note that the Protocol, which addresses self-monitoring, testing, and isolating requirements, represents evolving guidance and is subject to change.
- Any member of the University community who tests positive for COVID-19 should inform the University contact tracing team at [C19HealthReport@uchicago.edu](mailto:C19HealthReport@uchicago.edu) (<mailto:C19HealthReport@uchicago.edu>).
- Students missing class for short spells during the term are encouraged to watch class on Zoom either live or via recordings of class sessions, and otherwise participate in class as fully as possible, health permitting.
- A limited number of students may have permission to participate remotely for the entire quarter.
  - The Harris Dean of Students Office makes these determinations and informs instructors of enrolled students with permission.
  - Enrolled students with remote status are encouraged to participate in class via live streaming, watch Zoom recordings of class sessions, and otherwise participate in class as fully as possible, health permitting. We may use dual-modal instructional technology to facilitate class participation of students with remote status.
- If I find that I cannot teach in person at some point during the term, I will communicate this as soon as possible to all the relevant stakeholders, including students!
  - Health permitting, I will teach remotely via Zoom on such occasions.
  - Students can attend class in the Keller Center but would participate via Zoom on such days.

Students can also attend remotely from home (or any other location that is devoid of distractions).

- I will be in touch with the TA, HSIT, and ASA to make sure things work smoothly.

## Kursübersicht:

Datum	Details	Fällig
Mo., 3. Jan 2022	 <b>Office hours</b> <a href="https://canvas.uchicago.edu/calendar?event_id=511935&amp;include_contexts=course_38877">https://canvas.uchicago.edu/calendar?event_id=511935&amp;include_contexts=course_38877</a>	14:00 bis/an/um 15:00
Mo., 10. Jan 2022	 <b>Office hours</b> <a href="https://canvas.uchicago.edu/calendar?event_id=511936&amp;include_contexts=course_38877">https://canvas.uchicago.edu/calendar?event_id=511936&amp;include_contexts=course_38877</a>	14:00 bis/an/um 15:00
	 <b>Online lecture</b> <a href="https://canvas.uchicago.edu/calendar?event_id=511945&amp;include_contexts=course_38877">https://canvas.uchicago.edu/calendar?event_id=511945&amp;include_contexts=course_38877</a>	16:30 bis/an/um 18:00
Mi., 12. Jan 2022	 <b>Online lecture</b> <a href="https://canvas.uchicago.edu/calendar?event_id=511946&amp;include_contexts=course_38877">https://canvas.uchicago.edu/calendar?event_id=511946&amp;include_contexts=course_38877</a>	16:30 bis/an/um 18:00
Fr., 14. Jan 2022	 <b>Online lecture</b> <a href="https://canvas.uchicago.edu/calendar?event_id=511947&amp;include_contexts=course_38877">https://canvas.uchicago.edu/calendar?event_id=511947&amp;include_contexts=course_38877</a>	16:30 bis/an/um 18:00
Mo., 17. Jan 2022	 <b>Office hours</b> <a href="https://canvas.uchicago.edu/calendar?event_id=511937&amp;include_contexts=course_38877">https://canvas.uchicago.edu/calendar?event_id=511937&amp;include_contexts=course_38877</a>	14:00 bis/an/um 15:00
	 <b>Online lecture</b> <a href="https://canvas.uchicago.edu/calendar?event_id=511948&amp;include_contexts=course_38877">https://canvas.uchicago.edu/calendar?event_id=511948&amp;include_contexts=course_38877</a>	16:30 bis/an/um 18:00
Mo., 24. Jan 2022	 <b>Office hours</b> <a href="https://canvas.uchicago.edu">https://canvas.uchicago.edu</a>	14:00 bis/an/um 15:00

Datum	Details	Fällig
	<a href="#">/calendar?event_id=511938&amp;include_contexts=course_38877)</a>	
Mo., 31. Jan 2022	 <b>Office hours</b> ( <a href="https://canvas.uchicago.edu/calendar?event_id=511939&amp;include_contexts=course_38877">https://canvas.uchicago.edu/calendar?event_id=511939&amp;include_contexts=course_38877</a> )	14:00 bis/an/um 15:00
Mo., 7. Feb 2022	 <b>Office hours</b> ( <a href="https://canvas.uchicago.edu/calendar?event_id=511940&amp;include_contexts=course_38877">https://canvas.uchicago.edu/calendar?event_id=511940&amp;include_contexts=course_38877</a> )	14:00 bis/an/um 15:00
Mo., 14. Feb 2022	 <b>Office hours</b> ( <a href="https://canvas.uchicago.edu/calendar?event_id=511941&amp;include_contexts=course_38877">https://canvas.uchicago.edu/calendar?event_id=511941&amp;include_contexts=course_38877</a> )	14:00 bis/an/um 15:00
Mo., 21. Feb 2022	 <b>Office hours</b> ( <a href="https://canvas.uchicago.edu/calendar?event_id=511942&amp;include_contexts=course_38877">https://canvas.uchicago.edu/calendar?event_id=511942&amp;include_contexts=course_38877</a> )	14:00 bis/an/um 15:00
Mo., 28. Feb 2022	 <b>Office hours</b> ( <a href="https://canvas.uchicago.edu/calendar?event_id=511943&amp;include_contexts=course_38877">https://canvas.uchicago.edu/calendar?event_id=511943&amp;include_contexts=course_38877</a> )	14:00 bis/an/um 15:00
Mo., 7. März 2022	 <b>Office hours</b> ( <a href="https://canvas.uchicago.edu/calendar?event_id=511944&amp;include_contexts=course_38877">https://canvas.uchicago.edu/calendar?event_id=511944&amp;include_contexts=course_38877</a> )	14:00 bis/an/um 15:00