

COURSE SCHEDULE Details of the schedule are subject to change; announcements will be made in class. Registered students can log into the CourseInfo website at http://courseinfo.bu.edu/courses/09fallcasec403_a1/. You should visit this website frequently to check announcements, obtain class material and verify your personal grading record.

- ◆ LECTURE complements READING and self-study. They are not substitutes. To do well in this course, you must understand both thoroughly.
- ◆ HOMEWORK problems are specified as follows: “S2.3” refers to Solved Exercise S3 at the end of Chapter 2 of Dixit-Skeath-Reiley, while U2.3 refers to the Unsolved Exercise U3 in the same chapter. “S2.1- 2.4” means “S2.1, S2.2, S2.3 and S2.4”. Additional problems may be given out in class from time to time.
- ◆ SOLUTION to the homework problems, tests and exams will be posted on the CourseInfo website. But you will not benefit from the solutions unless you have worked seriously on the problems.
- ◆ A TEST will focus on homework problems assigned since the last test or exam (but not including the day of the test).
- ◆ An EXAM will test your comprehensive understanding of the course material up to the time of the exam.

DATE	LECTURE	READING	HOMEWORK
	Game Theory and Strategic Interactions		
W9/02	Model of Strategic Interactions:	Ch. 1, 2	S2.1-2.2, U2.3-2.4
F9/04	(1) Game-Form and Payoffs		
M9/07	<Holiday>		
W9/09	(2) Predicting Play and Giving Strategic Advice		
	Extensive Form/ Sequential-move Games & Backward Induction		
F9/11	Model of the Decision Maker:	Ch. 3	S3.1-3.4
	(1) Individual preference and optimizing behavior		
M9/14	(2) Knowing the preferences and rationality of others		
W9/16	Backward Induction and the problems it raises		U3.5-3.9
	Strategic Form (Normal Form)/Simultaneous-move Games & Nash Equilibrium		
F9/18	What is a strategy? Action by self and belief about others	Ch. 3, 4, 5	S4.1-4.6, U4.1-4.6
M9/21	Normal-form Games with Complete Information		S4.7-4.11
W9/23	Nash Equilibrium and the problems it raises		U4.7-4.11
F9/25 <u>Test1</u>	<i>Test covers homework problems from 9/02 through 9/23</i>		
M9/28	Dominant and Dominated Strategies		S5.6-5.7
W9/30	Iterated Deletion of Dominated Strategies		U5.6-5.7
F10/02	<i>Discussion and/or Experiment</i>		
M10/05	Maximin and Rationalizable Strategies		S5.8-5.9, U5.8-5.9
	Game Theory and Economic Behavior		
W10/07	Continuous strategies and best-response functions	Ch. 5, 12	S5.1-5.5, U5.8-5.10
F10/09	Cournot’s Model of Oligopoly	Review relevant parts of your	
M10/12	<Holiday>	Intermediate Microeconomics	
Tu10/13	Bertrand’s Model of Oligopoly	textbook	S12.1, S12.4, U12.3, U12.5
W10/14	Rubinstein’s Bargaining Model	Ch. 18	S18.2, U18.1-18.2
F10/16 <u>Exam1</u>	<i>Exam covers course material through 10/14</i>		

DATE	LECTURE	READING	HOMEWORK
M10/19 W10/21	Games with Imperfect Information Multi-stage Games, Inferences about the Past Subgame Perfect Equilibrium	Ch. 6	S6.1-6.5, U6.1-6.5 S6.6-6.10, U6.6-6.10, U6.11-6.12
F10/23 M10/26 W10/28 F10/30	Mixed Strategy Mixed Strategies: Tax Evasion and Random Audits Interpretations of Mixed Strategies Mixed strategy equilibrium for zero-sum games Correlated Equilibrium	Ch. 7, 8	S7.1-7.8, U7.9-7.10 S8.1-8.3, S8.5-8.9, U8.10-8.11
M11/02 W11/04 F11/06 M11/09 W11/11 F11/13	Games with Incomplete Information Decision under Uncertainty: (1) Expected Payoffs (2) Prior Beliefs and Factual Information Promise and Threats: Are they Credible? Signaling and Screening <Holiday> Brinkmanship and Commitment	Ch. 9, 10 Ch. 15	S9.4-9.8, U9.9-9.10 U9.11 S15.1, S15.4, U15.1
M11/16 W11/18 F11/20 <u>Test2</u> M11/23	Repeated Interaction and Social Interaction Reward and Punishment, Third-party Sanction Repeated Games <i>Test covers homework problems from 10/19 through 11/18</i> Social Norms <Fall Recess>	Ch. 11	S11.1-11.2, S11.4, S11.6 U11.1, U11.3, U11.4
M11/30 W12/02 F12/04	Evolution of Behavior and Belief Population Dynamics: (1) Replication & Statistical Equilibrium (2) Random Perturbation & Selection Maynard-Smith's notion of Evolutionary Stability	Ch. 13	S13.2-13.3, S13.7-13.8 S13.9-13.10 U13.1, U13.6, U13.8
M12/07 W12/09 F12/11	Game Theory and More Economic Behavior Price Discrimination, Principal-Agent Contracts Public Decisions and Voting Auctions	Ch. 14 Ch. 16 Ch. 17	U14.2-14.4 S12.1-S12.2, U12.3, U12.5 S17.2-17.4, U17.2-17.4
M12/21 <u>Exam2</u> <3-5pm>	<i>Exam covers material from the whole course</i>		