

Bilkent University  
**Econ 204, Micro Theory II**  
Dr. Kevin Hasker  
Last updated: 13 September 2023

Professor:	e-mail:	Room:	Hours
Kevin Hasker	<a href="mailto:hasker@bilkent.edu.tr">hasker@bilkent.edu.tr</a>	AZ25a	MO 11:30-13:20, TU, TH 12:30-13:20
Class, Sec 01		H-132	MO 13:30-15:20, TH 9:30-10:20
Class, Sec 02		H-132	MO 15:30-16:20, TH 10:30-12:20
Website:	<a href="http://hasker.bilkent.edu.tr/classes/Econ204/Index.htm">http://hasker.bilkent.edu.tr/classes/Econ204/Index.htm</a>		

## 1 Course Description

This class is about modelling and the implications of equilibrium. Our principle tool will be Game Theory. To study Game Theory we need to know how people will act when they can't predict what others will do, thus we will start with decision making under uncertainty—and then go on to Game Theory. We will then study Pareto Efficiency, or what is a "good" outcome. We will then turn to various applications and see what equilibrium predicts in each one.

## 2 Assessment:

Assignment	Number	Weight	Total Weight
Midterm	1	33%	33%
Final	1	34%	34%
Regular Quizzes	10	3%	30%
Surprise Quizzes	3+	$\leq 1\%$	3%

The exams are not cumulative, but the material is. Students who take exams/quizzes will have their average increased to 80 by adding points to every student's total. Grading will then be based on the standard scale: 90's A/80's B/70's C/60's D. The adjusted scores of students may be over 100. I determine all +/- breaks when submitting grades. In specific, having an average of 95 will probably not be sufficient to get an A instead of an A-.

Notice the small weight given to surprise quizzes. These are usually simply checking attendance, when class attendance is low without a good reason I might do this. If I do not do this three times then everyone will get a 100 on the remaining quizzes, if I give more than three each will be discounted so the total impact on the grade is at most 3%.

I do not give FX. I will give an FZ to anyone who does not have a total of 30 by the last day of classes.

**Text Book:** I recommend three books for this class:

Nechyba, Thomas J.; Intermediate Microeconomics: an Intuitive Approach with Calculus; CENAGE —too basic.

Martin J. Osborne and Ariel Rubinstein. A Course in Game Theory available at:  
<https://arielrubinstein.tau.ac.il/books/GT.pdf> —too advanced

Pastine, Ivan and Tuvana Pastine; Introducing Game Theory: A Graphic Guide, Icon Books —easy introduction, available on Kindle

There will also be required material posted on the web page.

## 2.1 Lecture Schedule

Week Beginning	Event	Topic	Chp. (Nec.)	Chp. (Os.)
29.01.2024		Pareto Efficiency	Handouts	Handouts
5.02.2024		Uncertainty	7	NA
12.02.2024	Quiz	Uncertainty and Game Theory	24	1,2
19.02.2024	Quiz	Game Theory	24	1,2
26.02.2024	Quiz	Game Theory	24	1,2
4.03.2024	Quiz	Asymmetric Information	22	2
11.03.2024	Quiz	Asymmetric Information	22	2
18.03.2024	Exam	No classes		
25.03.2024		Social Choice—Voting Models	Handouts	Handouts
1.04.2024	Quiz	Externalities & Public Goods	21,27	NA
8.04.2024		No classes		
15.04.2024	Quiz	Externalities & Public Goods	21,27	NA
22.04.2024	Quiz on TH in both sections	Monopoly	23	NA
29.04.2024	Quiz	Oligopoly	25	NA
6.05.2024	Quiz	Oligopoly	25	NA
13.05.2024		Oligopoly	25	NA

Quizzes will usually be on MO in Sec 1, TH in Sec 2, Date and time for Exams are TBA

## 3 The Fairness Clause:

I make and follow rules and do not make exceptions.

1. Syllabus as Contract: This syllabus is my contract with the students. Any changes will be announced in class and by e-mail.
2. Talking in class: I can give surprise quizzes, and in extreme cases cancel class.
3. Cheating: Points are only given for work shown and there are multiple versions of each test. I will penalize students (a little) for behavior that could lead to cheating, and may assign seating.
4. Make-Ups: Make up exams and quizzes will be harder than the original and the average will not be adjusted. I may make an exception if the student contacts me before the time of the quiz or exam.
5. Grade Discussions: All grade related discussions must be in writing.