

THE UNIVERSITY OF
NEW SOUTH WALES



**Australian School of Business
School of Economics**

**ECON6101
ADVANCED MICRO ANALYSIS**

**Course Outline
Semester 2, 2009**

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1 STAFF CONTACT DETAILS

Lecturer-in-charge: Carlos Pimienta
Room: Quadrangle Building, room Q3125
Phone No: 9385 3358
Email: c.pimienta@unsw.edu.au
Consultation Times – Thursdays 3-6pm (or by appointment)

1.1 Communications with staff

You should feel free to contact your lecturer(s) about any academic matter. However, I strongly encourage, for efficiency, all enquiries about the subject material be made at lectures or during consultation time. Discussion of course subject material will not be entered into via lengthy emails.

2 COURSE DETAILS

2.1 Teaching Times and Locations

Lecture: Thursdays 6-9pm, room ASB232

2.2 Units of Credit

The course is worth 6 units of credit.
There is no parallel teaching in this course.

2.3 Summary of Course

The course is divided into two parts. The first part is on Game Theory and primarily technical. The second part is devoted to student presentations. Students should choose a paper belonging to some area in Microeconomic Theory from a list of papers selected by the lecturer and present it during the lecture time.

2.4 Aims and Relationship to Other Courses

Students are supposed to have coursed ECON6001 and ECON6004. The material in the course will cover additional topics to those in ECON6001.

2.5 Student Learning Outcomes

On completion of the course, students should be able to:

1. Describe and critically analyse different solution concepts proposed in the literature.
2. Define and compute different equilibrium concepts.
3. Make proper presentations of academic articles and analyze them critically.

4. Use and analyze basic models that constitute the basis of modern microeconomics.
5. Describe the objectives of several areas within Economic Theory.

Graduate Attributes

Course Learning Outcomes	ASB Graduate Attributes
1, 2, 3, 4, 5	Critical thinking and problem solving
3	Communication
3	Teamwork and leadership
4, 5	Social, ethical and global perspectives
1, 2, 3, 4, 5	In-depth engagement with relevant disciplinary knowledge
1, 2, 3, 4, 5	Professional skills

3 LEARNING AND TEACHING ACTIVITIES

3.1 Approach to Learning and Teaching in the Course

The philosophy underpinning this course and its Teaching and Learning Strategies are based on “Guidelines on Learning that Inform Teaching at UNSW. These guidelines may be viewed at: www.guidelinesonlearning.unsw.edu.au. Specifically, the lectures, tutorials and assessment have been designed to appropriately challenge students and support the achievement of the desired learning outcomes. A climate of inquiry and dialogue is encouraged between students and teachers and among students (in and out of class). The lecturers and tutors aim to provide meaningful and timely feedback to students to improve learning outcome.

3.2 Learning Activities and Teaching Strategies

The examinable content of the course is defined by the references given in the Lectures and student presentations.

Lectures

The purpose of Lecture is to provide formal game theoretical reasoning to be applied when building or understanding models. This knowledge will be used later on for the students in their presentations.

Student Presentations

Student Presentations will occur during lecture time. Students will pick up a paper out of a selected list of publication to present in class.

Out-of-Class Study

While students may have preferred individual learning strategies, it is important to note that most learning will be achieved outside of class time. Lectures can only provide a structure to assist your study, and tutorial time is limited.

An “ideal” strategy (on which the provision of the course materials is based) might include:

Reading of the relevant chapter(s) of the text and any readings **before the lecture**. This will give you a general idea of the topic area.

Attendance at lectures. Here the context of the topic in the course and the important elements of the topic are identified. The relevance of the topic should be explained.

Attending tutorials and attempting the tutorial questions.

4 ASSESSMENT

4.1 Formal Requirements

In order to pass this course, you must:

achieve a composite mark of at least 50 out of 100; and

make a satisfactory attempt at ALL assessment tasks (see below).

4.2 Assessment Details

Assessment is individual to each but is required to put in table like this:

Assessment Task	Weighting	Learning Outcomes assessed	ASB Graduate Attributes assessed	Length	Due Date
Problem sets	10%	1, 2	1, 2, 5, 6		TBA
Presentation	40%	3, 4, 5	2, 3, 4	60 minutes	Weeks 8, 9, 10, 11, 12
Final Exam	50%	1, 2	1, 2, 5, 6	3 hours	University Exam Period
	100%				

4.3 Final Exam Format

A sample exam in the same format as the final exam will be put up on Course website. Students should note that, given changes in the course content, past exam papers for this subject may be misleading. As outlined in 3.2 above all material covered in the lectures and tutorial program is examinable.

5 ACADEMIC HONESTY AND PLAGIARISM

The University regards plagiarism as a form of academic misconduct, and has very strict rules regarding plagiarism. For UNSW's policies, penalties, and information to help you avoid plagiarism see: <http://www.lc.unsw.edu.au/plagiarism/index.html>

as well as the guidelines in the online ELISE tutorial for all new UNSW students: <http://info.library.unsw.edu.au/skills/tutorials/InfoSkills/index.htm>. [ASB is saying this is all that is required but if a major assignment is part of your course and particularly if it is a course for

6 COURSE EVALUATION AND DEVELOPMENT

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's Course and Teaching Evaluation and Improvement (CATEI) Process is one of the ways in which student evaluative feedback is gathered. You are strongly encouraged to take part in the feedback process.

7 STUDENT RESPONSIBILITIES AND CONDUCT

Students are expected to be familiar with and adhere to university policies in relation to class attendance and general conduct and behaviour, including maintaining a safe, respectful environment; and to understand their obligations in relation to workload, assessment and keeping informed.

Information and policies on these topics can be found in the 'A-Z Student Guide': <https://my.unsw.edu.au/student/atoz/ABC.html>. See, especially, information on 'Attendance and Absence', 'Academic Misconduct', 'Assessment Information', 'Examinations', 'Special Consideration', 'Student Responsibilities', 'Workload' and policies such as 'Occupational Health and Safety'.

7.1 Workload

It is expected that you will spend at least **ten hours** per week studying this course. This time should be made up of reading, research, working on exercises and problems, and attending classes. In periods where you need to complete assignments or prepare for examinations, the workload may be greater. Over-commitment has been a cause of failure for many students. You should take the required workload into account when planning how to balance study with employment and other activities.

7.2 Attendance

Your regular and punctual attendance at lectures and other student presentations is expected in this course. University regulations indicate that if students attend less than eighty per cent of scheduled classes they may be refused final assessment.

7.3 Special Consideration and Supplementary Examinations

You must submit all assignments and attend all examinations scheduled for your course. You should seek assistance early if you suffer illness or misadventure

which affects your course progress. For advice on UNSW policies and procedures for granting special consideration and supplementary exams, see:

‘UNSW Policy and Process for Special Consideration’:
<https://my.unsw.edu.au/student/atoz/SpecialConsideration.html>

Students should note the following

- Applications for special consideration (including supplementary examinations) must go through UNSW Central administration (within 3 working days of the assessment to which it refers) – applications will **not** be accepted by teaching staff;
- Applying for special consideration does not automatically mean that you will be granted additional assessment or that you will be awarded an amended result;
- If you are making an application for special consideration (through UNSW Central Administration) please notify your Lecturer in Charge;

Please note that a register of applications for Special Consideration is maintained. History of previous applications for Special Consideration is taken into account when considering each case.

ASB Policy and Process for Special Consideration and Supplementary Exams

In the case of undergraduate students in the ASB, requests for special consideration are determined by a Faculty wide panel. If the Faculty panel grants a special consideration request, this may entitle the student to sit a supplementary examination. In such cases the following procedures will apply:

- Supplementary exams will be scheduled centrally and will be held approximately two weeks after the formal examination period. Actual date will be advised by mid-semester.
- Where a student is granted a supplementary examination as a result of a request for special consideration, the student’s original exam (if completed) will not be marked and only the mark achieved in the supplementary examination will count towards the final grade.

The ‘ASB Policy and Process for Special Consideration and Supplementary Exams in Undergraduate Courses’ is available at:
<http://wwwdocs.fce.unsw.edu.au/fce/current/StudentSuppExamProcedure.pdf>.

Further information for undergraduate students is on the ASB website (see ‘[Policies and Guidelines for Current Students](#)’).

7.4 General Conduct and Behaviour

You are expected to conduct yourself with consideration and respect for the needs of your fellow students and teaching staff. Conduct which unduly disrupts or interferes with a class, such as ringing or talking on mobile phones, is not

acceptable and students may be asked to leave the class. More information on student conduct is available at: www.my.unsw.edu.au

7.5 Occupational Health and Safety

UNSW Policy requires each person to work safely and responsibly, in order to avoid personal injury and to protect the safety of others. For more information, see <https://my.unsw.edu.au/student/atoz/OccupationalHealth.html>.

7.6 Keeping Informed

You should take note of all announcements made in lectures, tutorials or on the course web site. From time to time, the University will send important announcements to your university e-mail address without providing you with a paper copy. You will be deemed to have received this information. It is also your responsibility to keep the University informed of all changes to your contact details.

8 STUDENT RESOURCES AND SUPPORT

The University and the ASB provide a wide range of support services for students, including:

ASB Education Development Unit (EDU) (www.business.unsw.edu.au/edu)

Academic writing, study skills and maths support specifically for ASB students. Services include workshops, online and printed resources, and individual consultations. EDU Office: Room GO7, Ground Floor, ASB Building (opposite Student Centre); Ph: 9385 5584; Email: edu@unsw.edu.au

UNSW Learning Centre (www.lc.unsw.edu.au)

Academic skills support services, including workshops and resources, for all UNSW students. See website for details.

Library training and search support services: <http://info.library.unsw.edu.au>

UNSW IT Service Desk: Technical support for problems logging in to websites, downloading documents etc. Library, Level 2; Ph: 9385 1333.

Website: www.its.unsw.edu.au/support/support_home.html

UNSW Counselling Service (<http://www.counselling.unsw.edu.au>)

Free, confidential service for problems of a personal or academic nature; and workshops on study issues such as 'Coping With Stress' and 'Procrastination'.

Office: Level 2, Quadrangle East Wing; Ph: 9385 5418

Student Equity & Disabilities Unit <http://www.studentequity.unsw.edu.au>)

Advice regarding equity and diversity issues, and support for students who have a disability or disadvantage that interferes with their learning. Office: Ground Floor, John Goodsell Building; Ph: 9385 4734

9 COURSE RESOURCES

Recommended Books

- van Damme, E., Stability and Perfection of Nash Equilibria, 1991, Springer.
- Osborne, M.J. and Rubinstein, A., A Course in Game Theory, 1994, MIT Press.
- Mas-Collel, A. and Whinston, M.D. and Green, J., Microeconomic Theory, 1995, Oxford University Press

Recommended Readings

- Kreps, D. and Wilson, R., Sequential Equilibrium, *Econometrica* (50), 1982, 863-894.
- Kohlberg, E. and Mertens, J.F., On the Strategic Stability of Equilibria, *Econometrica* (54), 1986, 1003-1037.
- Cho, I.K. and Kreps, D., Signaling Games and Stable Equilibria, *Quarterly Journal of Economics* (102), 1987, 179-221.
- The list of papers from where to choose one to present in class will be given in the first or second Lecture of the course.

10 LECTURE SCHEDULE

There will be a set of lecture notes, with additional readings, on the Course website.

Week 1 – 20 July: Normal Form Games. Nash Equilibrium. Admissible Strategies.

Week 2 – 27 July: Computing Nash equilibria. Perturbed Games.

Week 3 – 3 August: Perfect Equilibria, Proper Equilibria. Zero Sum Games

Week 4 – 10 August: Computing Perfect and Proper Equilibria. Extensive Form Games.

Week 5 – 17 August: Subgame Perfect equilibria. Sequential Equilibria, Quasiperfect equilibrium.

Week 6 – 24 August: Agent normal form. Extensive form perfect equilibria.

Week 7 – 31 August: Computing Sequential and extensive form perfect equilibria.

Week 8 – 14 September: Payoff perturbations. Essential equilibria, Strongly Stable equilibria. Regular equilibria. Stability.

Week 9 – 21 September: Student Presentations

Week 10 – 28 September: Student Presentations

Week 11 – 5 October: Student Presentations

Weeks 12 – 12 October: Student Presentations