This course explores topics in the economics of uncertainty and information. In particular, this course will develop theoretical tools to analyze economic environments in which agents interact facing uncertainty that is decision-relevant. We will use these tools to study more specific problems. Topics include the study of financial markets and how risk is traded; the value of information in markets and within bilateral relationships; and how information asymmetries between market participants (for example, sellers and buyers) shape those relationships. We will study applications to the regulation and boundaries of firms and the design of employment contracts.

Prerequisites: Intermediate Microeconomics (Econ 121 or Econ 125), or Econometrics & Data Analysis I (Econ 131 or equivalent).

Semester offered: Spring
Undergrad Course Category: Microtheory