

Course Plan (preliminary-some adjusting possible given class interests)

This is only a plan and it might change depending on the pace of the class and on the interests of the students.

1. Infinitely repeated games with perfect public monitoring
 - 1.1.(WEEK 1) Theory: Class Notes
 - 1.2.(WEEK 2) Applications: Risk Sharing without Commitment
 - * J. Thomas and T. Worrall (1988), "Self-Enforcing Wage Contracts," Review of Economic Studies 55.
 - * N. Kocherlakota (1996), "Implications of Efficient Risk Sharing without Commitment," Review of Economic Studies 63.
 - * Dixit, G. Grossman, and F. Gul (2000) "A Theory of Political Compromise", Journal of Political Economy, 108.
 - * Fuchs and Lippi (2006) "Monetary Union with Voluntary Participation" REStud
2. Infinitely repeated games with **im**perfect public monitoring:
 - 2.1.(WEEK 3) Theory: D. Abreu, D. Pearce, and E. Stacchetti (1990), "Toward a Theory of Discounted Repeated Games with Imperfect Monitoring," Econometrica 58
 - 2.2.(WEEK 4) Applications: Collusion models
3. (WEEK 5) Length of Contract vs Relationship and Timing of Information
 - * Fudenberg Holmstrom and Milgrom (1990) "Short Term Contracts and Long Term Agency Relationships" JET
 - * D. Abreu, P. Milgrom and D. Pearce (1991), "Information and Timing in Repeated Partnerships" Econometrica, 59.
4. Repeated Moral Hazard (Private Action)
 - 4.1.(WEEK 6) Theory: Class Notes
 - * Rogerson W. (1985) "Repeated Moral Hazard " ECMA
 - * Spear and Srivastava (1987) "On Repeated Moral Hazard with Discounting" Restud
 - 4.2.(WEEK 7) Applications: Hopenhayn and Nicolini (1997) "Optimal Unemployment Insurance" JPE + "Employment History" Hopenhayn and Nicolini RESTUD (2009).
5. Repeated Adverse Selection (Private Type)
 - 5.1.(WEEK 8) Insurance Applications:

- * Thomas and Worrall (1990) "Income Fluctuation and Asymmetric Information: An example of a Repeated Principal-Agent Problem". JET
- * Atkeson and Lucas (1992) "On Efficient Distribution with Private Information" RESTUD
- * Carrasco Fuchs and Fukuda (2015) "[From Equals to Despots: The Dynamics of Repeated Group Decision Taking with Private Information](#)" Working Paper

5.2.(WEEK 9) Finance Applications:

- Clementi and Hopenhayn (2006) "A Theory of Financing Constraints and Firm Dynamics" QJE
- * DeMarzo-Flichman and DeMarzo-Sanikov (others to be included)

6. (WEEK 10) Relational Contracts – MacLeod and Malcolmson () Levin (2003) "Relational Contracts", *American Economic Review* 93.

7. (WEEK 11) Bargaining with Asymmetric Information

7.1.Theory:

- * Ausubel and Deneckere (1989) "Reputation in Bargaining and Durable Goods Monopoly." *Econometrica*, 57(3): 511-531.
- * Lawrence M. Ausubel, Peter Cramton, and Raymond J. Deneckere (2001) "Bargaining with Incomplete Information" *Handbook of Game Theory*, Vol. 3,
- * Deneckere, Raymond J., and Meng-Yu Liang. (2006). "Bargaining with Interdependent Values." *Econometrica*, 74(5): 1309-1364.
- * Fuchs and Skrzypacz (2010) "Bargaining with Arrival of New Traders" / "Bargaining with Interdependent Values Experience Effects and the Coase Conjecture."

8. Private Monitoring

8.1.(WEEK 12) Survey / Theory: M. Kandori (2002), "Introduction to Repeated Games with Private Monitoring," *Journal of Economic Theory* 102. (See whole issue for more)

8.2.(WEEK 13) Applications: MacLeod (2003) Levin (2003) "Relational Contracts", *American Economic Review* 93. and Fuchs(2007) Skrzypacz and Harrington (2009)

9. Other Possible topics of interest I would like to include:

9.1.Dynamic Signaling Models

9.2. Models of Dynamic Trade with Adverse Selection

9.3. Timing of Rewards: Debraj-Ray ECMA and Opp-Zhu