Topic 3Adverse Selection, Signaling, and Screening

<u>Readings: Ch. 13</u> **Hw3**: 13.B.2, 13.B.4, 13.C.1, 13.C.5.

Midterm Exam Thursday, October 11

Topic 4The Principal-Agent Problem

<u>Readings: Ch. 14</u> **Hw4**: 14.B.4, 14.C.3, 14.C.7, 14.C.8.

Topic 5Theory of the Firm

Readings:

Coase, R., "The Nature of the Firm," Economica (1937), 386-

Fumagalli, Chiara and Massimo Motta, "Exclusive Dealing and Entry when Buyers Compete," AER, 96(3), 2006. Greenlee, Patrick, David Reitman, and David Sibley, "An Antitrust Analysis of Bundled Armstrong, M, Vickers, J, and Zhou, J., "Prominence and Consumer Search", RAND, 2009.

Athey, S. and G. Ellison, 2011, "Position Auctions with Consumer Search", QJE, 126, 1213-1270.

Bagwell, K. and G. Ramey, "Coordination Economies, Advertising, and Search Behavior in Retail Markets", AER (1994), 498-517.

Chen, Y. and R. Rosenthal, "On the Use of Ceiling-price Commitments by Monopolists", RAND (1996), 207-220.

Chen, Y. and C. He, 2011. "Paid Placement: Advertising and Search on the Internet," Economic Journal, 121: F309-F328.

Chen, Y. and T. Zhang, "Equilibrium Price Dispersion with Heterogeneous Searchers," International Journal of Industrial Organization, 2011.

Chen, Y. and T. Zhang, "Entry and Welfare in Search Markets", working paper, 2014. Chen, Y. and T. Zhang, 2017. "Intermediaries and Consumer Search," International Journal of Industrial Organization.

Reinganum, J., "A simple Model of Equilibrium Price Dispersion", JPE (1979), pp. 851-858.

Baye, Michael and John Morgan. 2001. "Information Gatekeepers on the Internet and the Competitiveness of Homogeneous Product Markets." AER, 91, 454-474.

Baye, M.R. and J. Morgan. 2004. "Price Dispersion in the Lab and on the Internet: Theory and Evidence." RAND, 35(3), 449-466.

Burdett, Kenneth and Kenneth L. Judd. 1983. "Equilibrium Price Dispersion." Econometrica, 51, 955-969.

Hw7: Discuss the main assumptions and results in Stahl (1989) and Wolinsky (1986).

Final Exam: Saturday, Dec. 15, 1:30-3:00 pm.

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