

Topic 3 Adverse Selection, Signaling, and Screening

Readings: Ch. 13

Hw3: 13.B.2, 13.B.4, 13.C.1, 13.C.5.

Midterm Exam Thursday, October 11

Topic 4 The Principal-Agent Problem

Readings: Ch. 14

Hw4: 14.B.4, 14.C.3, 14.C.7, 14.C.8.

Topic 5 Theory 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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