Instructor: Murat Yılmaz

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class hours/rooms: Monday 16:15-17:30, Tuesday 12:00:13:15
office hours: by appointment

Useful textbooks:

Course Description:
This part of the course focuses on the theory of mechanism design, broadly defined. Topics to be covered include: optimal mechanisms under budget balance and voluntary participation constraints, VCG mechanisms, auction theory and contract theory.

Grading (2 Parts combined):
Participation (%15), Presentation (%25), 2 Referee Reports (%30), Final Exam (%30).

Presentation: Each student will pick a paper (among those indicated with a ⋆ in the reading list) after discussing with the instructors and will make a 30 minute presentation of the main ideas in the paper in a rigorous way. The presentation will take place on the last week of classes, specifically on the 24th December, Monday.

Two Referee Reports: Each student will submit two referee reports. The two papers will be determined by the instructors. The first report was due 7th November, Wednesday, in class. The second report will be based on the paper indicated by • in the reading list and it is due 18th December, Tuesday, in class.

Final exam: A cumulative final exam will be given on the official final exam date (the one that will be announced by the Registrar office).
OUTLINE:

**Mechanism Design:** The revelation principle, VCG mechanisms, AAGV mechanisms.


**Dynamic Contract Theory:** Repeated Moral Hazard, Repeated Adverse Selection (if time permits).

READING LIST:

**Mechanism Design:**

*Auction Theory:*
Dynamic Contract Theory: