Pre-requisites
Game Theory I and Math for Political Scientists (or permission of instructor)

Course Requirements
In order to maximize the benefits from taking this course, it is essential that students treat the assignments as learning tools, alongside lectures and textbooks. Toward this end, I strongly encourage the students to work through the assigned problems on their own before comparing notes with classmates.

There will be regular assigned problem sets. Students will also be required to complete one final project at the end of the course.

Some required readings:


_Econometrica_ 59, pp. 909-924.


**Recommended Game Theory Texts**

Although you will be held responsible only for the material in the lectures and in the assigned readings you may wish to consult in your preparation other game theory texts, in particular those listed below. Which of these additional texts is best suited to your needs should be a function of your background knowledge and how much you hope to do with game theory.

This book is somewhere between a monograph and a text on signaling games. It has a very clear and systematic exposition and a substantial number of political science examples.

Although it is somewhat dated, this book is still the most comprehensive survey of game theory available. It is a great reference book for anyone who intends to write game-theoretic models, but it makes substantial demands on the analytical skills of the readers and often expects that the basic material is already known.

This is a clear and intuitive introductory text with a very good section on signaling games.

McCarty, Nolan and Adam Meirowitz. _Political Game Theory_. Manuscript (Princeton University).
This introductory text incorporates many detailed examples from the political science literature. It also includes foundational material on utility theory and a chapter on mechanism design.

This book presents the most systematic and nuanced, but mathematically unsparing, treatment of the subject. It is the best textbook for people who are very comfortable with mathematical tools.

This book is less analytically demanding than Myerson’s or Fudenberg and Tirole’s. Its balance of formal rigor and conceptual intuition is comparable to Gibbons’.
**Topics:**

1. Costly Signaling Games (Review)
   Gibbons, pp. 183-210, 233-244
   Banks (1989), pp. 1-26

2. Cheap Talk
   Gibbons, pp. 210-218
   Banks (1989), pp. 23-26, 48-57
   Austen-Smith (1990)
   Gilligan and Krehbiel (1987)
   Battaglini (2002)

3. Sequential Equilibrium
   TBA

4. Incentive Compatibility and the Revelation Principle
   Gibbons, pp. 164-168
   McCarty and Meirowitz, pp. TBA
   Banks (1990)
   Banks and Calvert (1992)

5. Purification Theorem
   TBA

6. Review
   Hafer (2005)

7. Monotone Comparative Statics and Supermodularity
   Vives (1999)
   Ashworth and Bueno de Mesquita (2004a and b)
   TBA

8. Markov-Perfect Equilibrium
   Acemoglu and Robinson (2001)

9. What Makes a Game-Theoretic Model Good?
   Rubinstein (1991)