



Game Theory & Applications

ECO 4400

Instructor Info —



Dr. Fatma B. Gunay



Office Hrs: M & W 2:30-3:30pm



on Zoom



fgunay@ufl.edu

Course Info —



Prereq: ECO 2023, ECO 3101 or ECP 3703, and Calculus



Mon, Tues & Wed



11am-1:45pm



MAT119

Practice Info —



Thursday



11am-12:15pm



MAT119

TA Info —



Dilan Alpergin



Office Hrs: Thursday 1pm-2pm



Zoom



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Overview

This course provides a detailed introduction to Game Theory and its applications. We will start with the basic concepts and insights of game-theoretic reasoning. The first week of the course is devoted to the introduction of the standard ways of representing games and to the discussion of the meaning of a strategy in different types of games. Once we cover the basics of game theory, we will dive deep into the applications of game theory to different fields. Games with imperfect information, repeated games, and mechanism design are more advanced topics we are going to cover. Some of the applications we will analyze (as time permits) are the Cuban missile crisis, insurance provision, contract design, price discrimination, and competition in oligopolies.

Course Material

Required Texts

Avinash K. Dixit, Susan Skeath & David H. Reiley. *Games of Strategy*. 5th Edition. WWNorton.

Recommended Text

Joel Watson. *An Introduction to Game Theory*. 3rd Edition. WWNorton. (it has lots of practice problems)

Avinash K. Dixit & Barry J. Nalebuff *The Art of Strategy: A Game Theorist's Guide to Success in Business and Life*. WWNorton.(very good book on real life applications of game theory)

Lectures

ECO4400 will be delivered in person in MAT119, but lectures from last summer will also be posted on Canvas for review purposes. Course materials will be provided to you with an excused absence, and you will be given a reasonable amount of time to make up work.

Exam Policies

There will be 3 in-class exams. The exams are on July 15th, July 29th, and August 8th during the official class time. The exams are not comprehensive and include multiple choice questions, short answer questions as well as problems. I will provide practice tests before the exams. All students have to take the exams in-class.

During exams, students may use a simple scientific calculator (not a calculator with graphing abilities), and a 1-sided 3x5 cheat sheet.

Make-up exams will only be allowed for students who have a substantiated excuse approved by the instructor *before the exam date*. When academic or religious conflicts exist or emergencies arise, make-up exams may be provided.

Exams will be graded within a week and the results will be announced on Canvas.

Grading Scheme

60%	Exams, 20% each
25%	Homework Assignments
15%	Quizzes

Grades will follow the following scale. Curving is at the discretion of the professor.

Points	Grade
92.50 and above	A
90-92.49	A-
87.5-89.99	B+
82.5-87.49	B
80-82.49	B-
77.5-79.99	C
72.50-77.49	C-
70.00-72.49	D
0-69.99	E

Pop-Quizzes

There will be a pop-up quiz each week during a class, which include the topic covered during the lecture. You have to be present in the classroom to be able to take the quiz. The questions are designed in such a way that following the lectures is enough to get a 100%. You just need to pay attention to the lecture. At the end of the semester, I will drop the lowest grade out of these quizzes.

Assignments

There will be an homework assignment each week. I will post them on Thursday afternoons. They are due on Monday at 9am. Assignments will be posted on Canvas. When you finish your work, you will upload a single PDF document. At the end of the semester, I will drop the lowest grade.

Accommodations for Students with Disabilities

If you have a disability and need accommodations please be sure to contact the Disability Resource Center right away so they can help you get the accommodations you require. If you will need to use any accommodations in this class, please talk with me early so you can have the best possible experience this semester. For more specific information visit <https://disability.ufl.edu>

Academic Integrity

The University of Florida maintains high standards for academic integrity in order to provide the students the best quality education. An online copy of the academic honor policy can be found at Student Honor Code. Students are expected to be familiar with the Code and to recognize that their work in the course is to be their own original work that truthfully represents the time and effort applied.

COVID-19 Recommendations

In response to COVID-19, the following recommendations are in place to maintain your learning environment, to enhance the safety of our in-classroom interactions, and to further the health and safety of ourselves, our neighbors, and our loved ones.

- If you are not vaccinated, get vaccinated. Vaccines are readily available and have been demonstrated to be safe and effective against the COVID-19 virus. Visit one.ufl.edu for screening / testing and vaccination opportunities.
- If you are sick, stay home. Please call your primary care provider if you are ill and need immediate care or the UF Student Health Care Center at 352-392-1161 to be evaluated.
- Course materials will be provided to you with an excused absence, and you will be given a reasonable amount of time to make up work.

Class Schedule

*Tentative

Week 1	Introduction	Chapter 1 (DSR)
	Initial Concepts, Classification of Games, Definitions	Chapter 2 (DSR)
	Games with Sequential Moves	Chapter 3 (DSR)
	Game Representation, Specification of Strategies	
	Backward Induction, Mover Advantage	
Week 2	Games with Simultaneous Moves	Chapter 4 (DSR)
	Game Representation, Equilibrium Concepts, Games with Multiple Equilibrium. Discrete Strategies	
	Simultaneous Move Games with Mixed Strategies	Chapters 7(DSR)
Week 3	EXAM I (July 11)	
	Games with Simultaneous Moves	Chapter 5 (DSR)
	Game Representation, Equilibrium Concepts, Games with Multiple Equilibrium. Continuous Strategies	
Week 4	Simultaneous and Sequential Move Games	Chapter 6 (DSR)
	Converting Extensive Form Games to Strategic Form, Combining Simultaneous and Sequential Moves,	
	Subgame Perfection, Games of Perfect and Imperfect Information	
	Uncertainty and Information	Chapter 8 (DSR)
Week 5	EXAM II (July 25)	
	Repeated Games	Chapter 10 (DSR)
	Stage Games, Finite Repetition, and Infinitely Repeated Games, Folk Theorem	
Week 6	Mechanism Design	Chapter 13 (DSR)
	The Theory of Auctions and Competitive Bidding	Chapter 16 (DSR)
	EXAM III (August 3)	
