Course Description

Game theory is an integral part of modern economic analysis. Topics in Microeconomics - I introduces the students to elementary game theory under complete information. This course introduces the basic concepts of game theory in a way that allows students to use them in solving simple problems. The course will deal with the solution concepts for normal form and extensive form games along with a variety of economic applications.

Course Outline

1. Normal form games
   The normal form; dominant and dominated strategies; dominance solvability; mixed strategies; Nash equilibrium; symmetric single population games; applications.

2. Extensive form games with perfect information
   The game tree; strategies; subgame perfection; backward induction in finite games; commitment; bargaining; other applications.
Reading:


For the 100 marks paper, there would be

- 75 marks : University Exam
- 25 marks : Internal Assessment (*5 marks are for attendance and 20 marks for two class tests of 10 marks each*)