

Microeconomics 2.

## Taught by

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## Course outline

### I. Risk and uncertainty

**January 9-23 Chapter 1.** Decision under uncertainty (ch 6): [SLIDES](#)  
a criterion of choice under un-  
certainty: expected utility theory (6B), risk aversion (6C), the difficult  
comparison of payoff distribution (6D), subjective probability theory (6F).

**January 26-February 2 Chapter 2.** General equilibrium with uncertainty (ch 19, except 19 D-  
E-G-H): model (19B, contin-  
gent commodities), Arrow-Debreu Equilibrium (19C), welfare theorems, examples of incomplete  
markets (19F), market failures more generally.

### II Game theory.

**February 6-27 Chapter 3.** Games, strategies and equilibrium.

Games and strategies. – Nash equilibrium. – Perfect equilibrium.

**March 1st-15 Chapter 4.** Games with incomplete information.

Bayesian equilibrium. – Perfect Bayesian Equilibrium.