

## ***Strategic Behaviour Syllabus***

### **Department of Economics**

### **ECON 3600 Fall 2023**

*Dalhousie University acknowledges that we are in Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq People and pays respect to the Indigenous knowledges held by the Mi'kmaq People, and to the wisdom of their Elders past and present. The Mi'kmaq People signed Peace and Friendship Treaties with the Crown, and section 35 of the Constitution Act, 1982 recognizes and affirms Aboriginal and Treaty rights. We are all Treaty people.*

*Dalhousie University also acknowledges the histories, contributions, and legacies of African Nova Scotians, who have been here for over 400 years.*

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Office hours: Monday 11:30 am – 1 pm or by appointment

**Teaching assistant:** Tom Chapman  
Office hours: Thursday 11:40 am – 1 pm LSC C202

**Lectures (in-person)** Monday and Wednesday 10:05 – 11:25 am McCain 1170  
In-person lectures will not be recorded.

### **Course Description**

Many economic questions (such as price competition, tax policy, research and development decision, bargaining) can be interpreted as games, in which each player's action affects payoffs of other players. The students learn how to recognize various strategic interactions in economics, and how to evaluate the outcomes of such interactions.

#### *Course Prerequisites*

ECON 2200.03 (or ECON 2210.03 or ECON 2220.03), MATH 1000.03 or equivalent with minimum grades of C.

## Course Materials

*Required text:* “Strategy” by J. Watson (W.W. Norton 2013, 3rd edition)

[https://bookstore.dal.ca/CourseSearch/?course\[\]=SUB,FALL23,ECON,ECON3600,&](https://bookstore.dal.ca/CourseSearch/?course[]=SUB,FALL23,ECON,ECON3600,&)

Additional reading materials will be posted on Brightspace or distributed in class.

*Other useful textbooks:*

“An Introduction to Game Theory” by M. Osborne (Oxford University Press, 2004): more advanced mathematical treatment of game theory (*on reserve in Killam library*)

“A Course in Microeconomic Theory” by D. Kreps (Princeton University Press, 1990): graduate textbook (*on reserve in Killam library*)

“Games of Strategy” by A. Dixit, S. Skeath, and D. Reiley (W.W. Norton, 4<sup>th</sup> edition, 2015): detailed non-technical explanations (*on reserve in Killam library*)

“Thinking Strategically” by A. Dixit and B. Nalebuff (Norton, 1991): informal introduction to game theory

## Assessment

<b>Component</b>	<b>Weight (% of final grade)</b>	<b>Date</b>
<b>Midterm</b>	30% (in class, in person)	30 October, 2023 (tentative)
<b>Final exam</b>	50% (3 hrs, in person)	Scheduled exam period
<b>4 assignments</b>	20%	to be determined

Conversion of numerical grades to final letter grades follows the  
Dalhousie Grade Scale

A+ (90-100)	B+ (77-79)	C+ (65-69)	D (50-54)
A (85-89)	B (73-76)	C (60-64)	F (0-49)
A- (80-84)	B- (70-72)	C- (55-59)	

## Course Policies

Please check regularly the course Brightspace page for course announcements and assignments.

If a student misses the midterm for a valid reason, the student must notify the instructor by email prior to the date and time of the exam. In this case, the final exam will count for 80% of the final grade.

If a student cannot submit an assignment on time, the student must contact the instructor prior to the assignment deadline to discuss alternative arrangements.

If a student misses the final exam for a valid reason, the student must notify the instructor immediately and provide the appropriate documentation. The student will have an opportunity to write a make-up final exam.

The students are not allowed to collaborate on the assignments and exams.

The full text of Dalhousie's *Policy on Intellectual Honesty* and *Faculty Discipline Procedures* is available here:

[http://www.dal.ca/dept/university\\_secretariat/academic-integrity/academic-policies.html](http://www.dal.ca/dept/university_secretariat/academic-integrity/academic-policies.html)

## Learning Objectives

In this course we analyze different types of competitive and cooperative behaviour of economic agents. Lectures focus on noncooperative static and dynamic games. The ideas are illustrated using examples from microeconomics and labour economics. Students will learn how to apply such concepts as dominance solutions, Nash equilibrium, randomization, subgame perfect equilibrium, repeated game strategies, and signaling. Problem-based learning is an important part of this course.

## Course Content

1. Extensive and normal forms: Ch. 1 - 5
2. Dominance and Nash equilibrium in static games: Ch. 6 - 10
3. Mixed strategies: Ch. 4, 11
4. Subgame perfect equilibrium in dynamic games: Ch. 14 - 16
5. Bargaining: Ch. 18 - 19
6. Repeated games: Ch. 22
7. Games with incomplete information (Bayesian Nash equilibrium, perfect Bayesian equilibrium): Ch. 24 - 29
8. Bounded rationality (based on papers by D. Kahneman and A. Tversky)

## University Policies and Statements

### **Recognition of Mi'kmaq Territory**

Dalhousie University would like to acknowledge that the University is on Traditional Mi'kmaq Territory. The Elders in Residence program provides students with access to First Nations elders for guidance, counsel, and support. Visit or e-mail the Indigenous Student Centre at 1321 Edward St or [elders@dal.ca](mailto:elders@dal.ca). Additional information regarding the Indigenous Student Centre can be found at: [https://www.dal.ca/campus\\_life/communities/indigenous.html](https://www.dal.ca/campus_life/communities/indigenous.html)

### **Internationalization**

At Dalhousie, 'thinking and acting globally' enhances the quality and impact of education, supporting learning that is "interdisciplinary, cross-cultural, global in reach, and orientated toward solving problems that extend across national borders." Additional internationalization information can be found at: <https://www.dal.ca/about-dal/internationalization.html>

### **Academic Integrity**

At Dalhousie University, we are guided in all our work by the values of academic integrity: honesty, trust, fairness, responsibility, and respect. As a student, you are required to demonstrate these values in all the work you do. The University provides policies and procedures that every member of the university community is required to follow to ensure academic integrity. Additional academic integrity information can be found at: [https://www.dal.ca/dept/university\\_secretariat/academic-integrity.html](https://www.dal.ca/dept/university_secretariat/academic-integrity.html)

### **Accessibility**

The Student Accessibility Centre is Dalhousie's centre of expertise for matters related to student accessibility and accommodation. If there are aspects of the design, instruction, and/or experiences within this course (online or in-person) that result in barriers to your inclusion, please contact the Student Accessibility Centre ([https://www.dal.ca/campus\\_life/academic-support/accessibility.html](https://www.dal.ca/campus_life/academic-support/accessibility.html)) for all courses offered by Dalhousie with the exception of Truro. For courses offered by the Faculty of Agriculture, please contact the Student Success Centre in Truro (<https://www.dal.ca/about-dal/agricultural-campus/student-success-centre.html>)

## **Conduct in the Classroom – Culture of Respect**

Substantial and constructive dialogue on challenging issues is an important part of academic inquiry and exchange. It requires willingness to listen and tolerance of opposing points of view. Consideration of individual differences and alternative viewpoints is required of all class members, towards each other, towards instructors, and towards guest speakers. While expressions of differing perspectives are welcome and encouraged, the words and language used should remain within acceptable bounds of civility and respect.

## **Diversity and Inclusion – Culture of Respect**

Every person at Dalhousie has a right to be respected and safe. We believe inclusiveness is fundamental to education. We stand for equality. Dalhousie is strengthened in our diversity. We are a respectful and inclusive community. We are committed to being a place where everyone feels welcome and supported, which is why our Strategic Direction prioritizes fostering a culture of diversity and inclusiveness (Strategic Priority 5.2). Additional diversity and inclusion information can be found at: <http://www.dal.ca/cultureofrespect.html>

## **Student Code of Conduct**

Everyone at Dalhousie is expected to treat others with dignity and respect. The Code of Student Conduct allows Dalhousie to take disciplinary action if students don't follow this community expectation. When appropriate, violations of the code can be resolved in a reasonable and informal manner - perhaps through a restorative justice process. If an informal resolution can't be reached, or would be inappropriate, procedures exist for formal dispute resolution. The full Code of Student Conduct can be found at: [https://www.dal.ca/dept/university\\_secretariat/policies/student-life/code-of-student-conduct.html](https://www.dal.ca/dept/university_secretariat/policies/student-life/code-of-student-conduct.html)

## **Fair Dealing Policy**

The Dalhousie University Fair Dealing Policy provides guidance for the limited use of copyright protected material without the risk of infringement and without having to seek the permission of copyright owners. It is intended to provide a balance between the rights of creators and the rights of users at Dalhousie. Additional information regarding the Fair Dealing Policy can be found at: [https://www.dal.ca/dept/university\\_secretariat/policies/academic/fair-dealing-policy-.html](https://www.dal.ca/dept/university_secretariat/policies/academic/fair-dealing-policy-.html)

## **Originality Checking Software**

The course instructor may use Dalhousie's approved originality checking software and Google to check the originality of any work submitted for credit, in accordance with the Student Submission of Assignments and Use of Originality Checking Software Policy. Students are free, without penalty of grade, to choose an alternative method of attesting to the authenticity of their work and must inform the instructor no later than the last day to add/drop classes of their intent to choose an alternate method. Additional information regarding Originality Checking Software can be found at:

[https://www.dal.ca/dept/university\\_secretariat/policies/academic/student-submission-of-assignments-and-use-of-originality-checking-software-policy-.html](https://www.dal.ca/dept/university_secretariat/policies/academic/student-submission-of-assignments-and-use-of-originality-checking-software-policy-.html)

## **Student Use of Course Materials**

Course materials are designed for use as part of this course at Dalhousie University and are the property of the instructor unless otherwise stated. Third party copyrighted materials (such as books, journal articles, music, videos, etc.) have either been licensed for use in this course or fall under an exception or limitation in Canadian Copyright law. Copying this course material for distribution (e.g. uploading to a commercial third-party website) may lead to a violation of Copyright law.