HKU BUSINESS SCHOOL
港大經管學院

Inspire·Empower·Lead

1. General Information	
Course Subject	ECON
Course Number	3215
Course Title	Uncertainty and Information
Academic Years	2023-2024
Grading Method	Letter

2. Instructors

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Subclasses: 2A

4. Course Description	
Course Description	This course examines the effects of uncertainty and imperfect information on individual decision making and on market equilibrium. Topics may include the expected utility hypothesis, risk bearing and risk sharing, adverse selection, signaling, contract theory, mechanism design, information acquisition and information transmission. Note: This course may be regarded as an advanced undergraduate course in microeconomic theory. Students must have completed the intermediate level Microeconomic Theory course as a prerequisite.
Prerequisites	ECON2210: Intermediate Microeconomics
Free Elective	Yes

5. Course Objectives

1. Provide students with the tools necessary for studying problems related to decision making under uncertainty and imperfect information.

2. Introduce the incentive problems that may arise in situations without perfect information, and study ways to overcome those problems.

6. Faculty Learning Goals

Goal 1: Acquisition and internalization of knowledge of the programme discipline

Goal 2: Application and integration of knowledge

Goal 3: Inculcating professionalism

Goal 4: Developing global outlook

Goal 5: Mastering communication skills

6. Faculty Learning Goals

Goal 6: Cultivating leadership

7. Course Learning Outcomes

Course Teaching and Learning Activities	Aligned Faculty Learning Goals					
	1	2	3	4	5	6
CLO1. Understand the concept of risk aversion and its behavioral implications	✔	✔	✔			
CLO2. Understand the nature of the moral hazard problems and how it affects incentive structure in organizations	✔	✔	✔			
CLO3. Understand how asymmetric information affects the operation of markets	✔	✔	✔			
CLO4. Formulate decision-making problems involving probabilistic arguments and equilibrium inference	✔	✔		✔		

8. Course Teaching and Learning Activities

Course Teaching and Learning Activities #	Expected Study Hours	Study Load (% of study)
T&L1. Twelve weeks of three-hour lectures to cover basic topics in the economics of uncertainty and information	42	31.8
T&L2. Periodic problem sets to allow students to practice solving economic problems and building economic models	60	45.5
T&L3. Supplementary reading list provides opportunity to read academic papers and to apply economic theory to real world problems	30	22.7
	Total: 132	Total: 100

9. Assessment Methods

Assessment Methods	Description	Weight %	Aligned Course Learning Outcomes
A1. Problem sets		35%	1,2,3,4
A2. Class participation		5%	4
A3. Final Exam		60%	1,2,3,4

Assessment Rubrics

A1. Problem sets	
A+,A,A-	All critical aspects of the problem were clearly identified. Relevant concepts and techniques were applied to the situation; the analysis of the problem was thorough and critical. Solution to problem was coherent and complete; arguments were well-articulated and adequately supported. Good reference to class materials and beyond.

Assessment Rubrics	
B+,B,B-	Most critical aspects of the problem were clearly identified. Relevant techniques were applied to the situation; the analysis of the problem was systematic. Solution to problem was complete; arguments were well-articulated and adequately supported. Appropriate reference to class materials.
C+,C,C-	Most critical aspects of the problem were identified. Relevant concepts were applied to the situation; the analysis of the problem was systematic. Solution to problem was coherent; arguments were consistent and adequately supported. Limited reference to class materials.
D+,D	Basic critical aspects of the problem were identified. Relevant concepts and techniques were not well applied to the situation, and analysis of the problem remained largely descriptive. There is basic structure in the solution; some arguments were consistent but not sufficiently supported. Limited reference to class materials.
F	Failed to identify basic critical aspects of the problem. Concepts and techniques applied were not relevant to the situation; analysis of the problem was descriptive or missing. Structure of the solution is incomplete; arguments were fragmented or not at all supported. No reference to the class materials.
A3. Final Exam	
A+,A,A-	All critical aspects of the problem were clearly identified. Relevant concepts and techniques were applied to the situation; the analysis of the problem was thorough and critical. Solution to problem was coherent and complete; arguments were well-articulated and adequately supported. Good reference to class materials and beyond.
B+,B,B-	Most critical aspects of the problem were clearly identified. Relevant techniques were applied to the situation; the analysis of the problem was systematic. Solution to problem was complete; arguments were well-articulated and adequately supported. Appropriate reference to class materials.
C+,C,C-	Most critical aspects of the problem were identified. Relevant concepts were applied to the situation; the analysis of the problem was systematic. Solution to problem was coherent; arguments were consistent and adequately supported. Limited reference to class materials.
D+,D	Basic critical aspects of the problem were identified. Relevant concepts and techniques were not well applied to the situation, and analysis of the problem remained largely descriptive. There is basic structure in the solution; some arguments were consistent but not sufficiently supported. Limited reference to class materials.

Assessment Rubrics	
F	Failed to identify basic critical aspects of the problem. Concepts and techniques applied were not relevant to the situation; analysis of the problem was descriptive or missing. Structure of the solution is incomplete; arguments were fragmented or not at all supported. No reference to the class materials.

10. Course Grade Descriptors	
A+,A,A-	All critical aspects of the problem were clearly identified. Relevant concepts and techniques were applied to the situation; the analysis of the problem was thorough and critical. Solution to problem was coherent and complete; arguments were well-articulated and adequately supported. Good reference to class materials and beyond.
B+,B,B-	Most critical aspects of the problem were clearly identified. Relevant techniques were applied to the situation; the analysis of the problem was systematic. Solution to problem was complete; arguments were well-articulated and adequately supported. Appropriate reference to class materials.
C+,C,C-	Most critical aspects of the problem were identified. Relevant concepts were applied to the situation; the analysis of the problem was systematic. Solution to problem was coherent; arguments were consistent and adequately supported. Limited reference to class materials.
D+,D	Basic critical aspects of the problem were identified. Relevant concepts and techniques were not well applied to the situation, and analysis of the problem remained largely descriptive. There is basic structure in the solution; some arguments were consistent but not sufficiently supported. Limited reference to class materials.
F	Failed to identify basic critical aspects of the problem. Concepts and techniques applied were not relevant to the situation; analysis of the problem was descriptive or missing. Structure of the solution is incomplete; arguments were fragmented or not at all supported. No reference to the class materials.

11. Course Content and Tentative Teaching Schedule

Topic/ Session	Date	Time	Content	Readings	Assignments	Other information
1			Basic tools			
2			Moral hazard			
3			Adverse selection			

11. Course Content and Tentative Teaching Schedule

4			Signaling			
5			Mechanism design			

12. Required/Recommended Readings & Online Materials

Textbook	Louis Eeckhoudt, Christian Gollier and Harrise Schlesinger, Economic and Financial Decisions under Risk. Princeton: Princeton University Press, 2005. Bernard Salanie, The Economics of Contracts, 2d. ed., Cambridge: MIT Press, 2005.

13. Means / Processes for Student feedback on Course

✔	Conducting mid-term survey in additional to SETL around the end of the semester
	Online response via Moodle site
	Others

14. Course Policy

1. Students are encouraged to work together in groups to solve the problem sets. However each student must turn in his or her own solution. Copying another student's answers is not permitted even with consent. Assignments should be completed in legible handwriting.
2. Plagiarism and cheating in exams are serious academic offenses.
3. Please observe appropriate classroom etiquette and be considerate to others.

15. Additional Course Information

Each learning outcome in a course should be assessed. A matrix can be a helpful way to check that the outcomes, teaching and learning activities and assessment tasks are aligned. Students can see the direct relevance of the activities and can see that they are being assessed on what is relevant and what they have been covering during the course.