This is a ten-week course, focusing on social choice and cooperative game theory. The questions addressed in this course are normative in nature. This means that we will focus on what a group of people should do when faced with group decisions. This is in contrast to non-cooperative game theory, which usually (but not always) focuses on what people will do. The course is geared toward the axiomatic approach. Axioms are normative principles that help guide us in making group decisions.

There will be one homework assignment per week; and a final exam. Homework will count for roughly 60% of the final grade, and the final exam for 40%. Each week, I will typically pick one problem from each homework set to grade; this problem will be unannounced until the day homework is due. For this reason, late homework will not be accepted without my prior permission.

The course will be theoretically oriented, and some degree of mathematical sophistication is required. Therefore, some of the course may involve learning mathematical tools useful for solving economic problems.

There is only one required text for the course:


The basic outline of the course is as follows. Topics and timing are subject to change depending on class interest and time constraints.

Week 1-2: On the tradeoff between equity and efficiency, social welfare orderings: Chapters 1-2.

Week 3-4: Nash bargaining theory: Chapter 3.

Week 5-6: Transferable utility and values of cooperative games: Chapters 4-5.

Week 7: Bankruptcy and surplus sharing: Chapter 6.

Week 8: Majority voting, scoring methods, and preference aggregation: Chapter 9.

Week 9-10: Arrovian social choice and preference aggregation: Chapter 11.