The course focuses on the role of coordination, information, and expectations in settings of interest to both macro- and micro-economists. Topics include beauty contests, global games, information acquisition, rational inattention, and bounded rationality. After being introduced to the theoretical underpinnings, students will learn how to apply the techniques to topics such as business-cycle fluctuations, bank runs, political change, the social value of information, optimal monetary and fiscal policy, information design, and endogenous uncertainty.

**Prerequisites:** Micro- and macro-economics at 1st-year PhD level.

**Evaluation:** Problem sets, plus: either presentation and referee report, or research proposal. (Topic and further details to be discussed with instructors.)

**Class Time:** Monday and Wednesday, 1.30-3.30 PM
Academic Integrity

Students in this course are required to comply with the policies found in the booklet, "Academic Integrity at Northwestern University: A Basic Guide". All papers submitted for credit in this course must be submitted electronically unless otherwise instructed by the professor. Your written work may be tested for plagiarized content. For details regarding academic integrity at Northwestern or to download the guide, visit: https://www.northwestern.edu/provost/policies/academic-integrity/index.html

Accessibility

Northwestern University is committed to providing the most accessible learning environment as possible for students with disabilities. Should you anticipate or experience disability-related barriers in the academic setting, please contact AccessibleNU to move forward with the university’s established accommodation process (e: accessibleNU@northwestern.edu; p: 847-467-9461). If you already have established accommodations with AccessibleNU, please let me know as soon as possible, preferably within the first two weeks of the term, so we can work together to implement your disability accommodations. Disability information, including academic accommodations, is confidential under the Family Educational Rights and Privacy Act.

COVID-19 Classroom Expectations

Students, faculty, and staff must comply with University expectations regarding appropriate classroom behavior, including those outlined below and in the COVID-19 Code of Conduct. With respect to classroom procedures, this includes:

· Policies regarding masking and social distancing evolve as the public health situation changes. Students are responsible for understanding and complying with current masking, testing, Symptom Tracking, and social distancing requirements.

· In some classes, masking and/or social distancing may be required as a result of an Americans with Disabilities Act (ADA) accommodation for the instructor or a student in the class even when not generally required on campus. In such cases, the instructor will notify the class.

· No food is allowed inside classrooms. Drinks are permitted, but please keep your face covering on and use a straw.

· Faculty may assign seats in some classes to help facilitate contact tracing in the event that a student tests positive for COVID-19. Students must sit in their assigned seats.

If a student fails to comply with the COVID-19 Code of Conduct or other University expectations related to COVID-19, the instructor may ask the student to leave the class. The instructor is asked to report the incident to the Office of Community Standards for additional follow-up.
COVID-19 Testing Compliance

To protect the health of our community, Northwestern University requires unvaccinated students who are in on-campus programs to be tested for COVID-19 twice per week.

Students who fail to comply with current or future COVID-19 testing protocols will be referred to the Office of Community standards to face disciplinary action, including escalation up to restriction from campus and suspension.

Guidance on Class Recordings

Portions of this class may be recorded by the instructor for educational purpose and available to the class during the quarter. Your instructor will communicate how you can access the recordings. Portions of the course that contain images, questions or commentary/discussion by students will be edited out of any recordings that are saved beyond the current term.

Class Recording

Unauthorized student recording of classroom or other academic activities (including advising sessions or office hours) is prohibited. Unauthorized recording is unethical and may also be a violation of University policy and state law. Students requesting the use of assistive technology as an accommodation should contact AccessibleNU. Unauthorized use of classroom recordings – including distributing or posting them – is also prohibited. Under the University’s Copyright Policy, faculty own the copyright to instructional materials – including those resources created specifically for the purposes of instruction, such as syllabi, lectures and lecture notes, and presentations. Students cannot copy, reproduce, display, or distribute these materials. Students who engage in unauthorized recording, unauthorized use of a recording, or unauthorized distribution of instructional materials will be referred to the appropriate University office for follow-up.

Support for Wellness and Mental Health

Northwestern University is committed to supporting the wellness of our students. Student Affairs has multiple resources to support student wellness and mental health. If you are feeling distressed or overwhelmed, please reach out for help. Students can access confidential resources through the Counseling and Psychological Services (CAPS), Religious and Spiritual Life (RSL) and the Center for Awareness, Response and Education (CARE). Additional information on all of the resources mentioned above can be found here: https://www.northwestern.edu/counseling/ https://www.northwestern.edu/religious-life/ https://www.northwestern.edu/care/
## Tentative Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Instructor</th>
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<tbody>
<tr>
<td>3/29</td>
<td>Beauty Contests</td>
<td>GMA</td>
</tr>
<tr>
<td>3/30</td>
<td>Beauty Contests</td>
<td>GMA</td>
</tr>
<tr>
<td>4/4</td>
<td>Global Games</td>
<td>AP</td>
</tr>
<tr>
<td>4/6</td>
<td>Global Games</td>
<td>AP</td>
</tr>
<tr>
<td>4/11</td>
<td>Applications to Business Cycles</td>
<td>GMA</td>
</tr>
<tr>
<td>4/13</td>
<td>Applications to Business Cycles</td>
<td>GMA</td>
</tr>
<tr>
<td>4/18</td>
<td>News, Confidence, Ambiguity</td>
<td>GMA</td>
</tr>
<tr>
<td>4/20</td>
<td>News, Confidence, Ambiguity</td>
<td>GMA</td>
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<tr>
<td>4/25</td>
<td>Dynamic Coordination</td>
<td>AP</td>
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<tr>
<td>4/27</td>
<td>Dynamic Coordination</td>
<td>AP</td>
</tr>
<tr>
<td>5/2</td>
<td>Information Acquisition</td>
<td>AP</td>
</tr>
<tr>
<td>5/4</td>
<td>Information Acquisition</td>
<td>AP</td>
</tr>
<tr>
<td>5/9</td>
<td>Rational Inattention, and Optimal Policy</td>
<td>GMA</td>
</tr>
<tr>
<td>5/11</td>
<td>Forward Guidance and Bounded Rationality</td>
<td>GMA</td>
</tr>
<tr>
<td>5/16</td>
<td>Forward Guidance and Bounded Rationality</td>
<td>GMA + Pooya Molavi</td>
</tr>
<tr>
<td>5/18</td>
<td>Simple Models and Biased Forecasts</td>
<td>Pooya Molavi + AP</td>
</tr>
<tr>
<td>5/23</td>
<td>Signaling, Information Design and Adversarial Coordination</td>
<td>AP</td>
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<tr>
<td>5/25</td>
<td>Signaling, Information Design and Adversarial Coordination</td>
<td>AP</td>
</tr>
<tr>
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<tr>
<td>6/1</td>
<td>TBD</td>
<td>GMA/AP</td>
</tr>
</tbody>
</table>
**Reading List**

We will cover only a subset of the references listed below. The list is meant to provide students with information about related research topics. The required readings are marked with a *.

**Introduction to Beauty Contests**


**Introduction to Global Games**


**Applications to Business Cycles**


Survey and Other Evidence


**Dynamic Coordination**


**Information Acquisition and Rational Inattention**


Pavan, A., Sundaresan S. and X. Vives “(In)efficiency in Information Acquisition and Aggregation through Prices,” *mimeo*, Northwestern University.


**Information Revelation, Information Design, Adversarial Coordination (with policy applications)**


**Forward Guidance, Bounded Rationality**


