Econ 106T: The Information Economy

Public Affairs 2270; Tue, Thu, 9:30-10:45.
http://econ106t.wordpress.com/

Professor: Simon Board.
Office: Bunche 9253.
Office Hours: Tue, Thu 11:00-12:00.
Email: sboard@econ.ucla.edu.
My website: http://www.econ.ucla.edu/sboard/

Description

This course uses economic tools to analyse the world of technology and e-commerce. The course will draw from economic theory, empirical analysis and case studies to study a variety of new markets. Topics include network effects, lock-in, platform markets, online auctions, matching markets, prediction markets and reputation mechanisms. Students will be expected to write a case on one particular firm and make a presentation.

Prerequisites: Econ 11, Econ 41, Econ 101.

Grading

“Meet the Boss” Presentation 10%
Case Write-Ups 30%
Final Paper 30%
Final 30%

Dates

No class - Thursday November 11th (Veteran’s Day) and Thursday November 25th (Thanksgiving).
Meet the Boss - Thursday November 18th, 8:00–10:45am.
Final paper topic chosen - Thursday 11th November.
Final paper due - Thursday 2nd December.
Introduction

- Shapiro and Varian (1999): “Information Rules”, Ch. 1

Strategy 101


The Nature of Information Goods


Pricing


Switching Costs and Lock-in

Network Effects

- Eisenmann and Coles (2009): “Skype”, HBS 9-806-165

Platform Markets


Dynamic Pricing


Reputation Mechanisms


Online Auctions


The Advertising Industry


Ad Auctions


Crowdsourcing and Prediction Markets


Price Dispersion


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