London School of Economics

EC516 Contracts and Organisations

Time and Place. Lent Term 2005. Thursdays 09:00 - 11:00; H106. Lectures start week 1 and end week 5.

Objectives. We cover some current topics in the theory of binding agreements. Ten hours is not enough to cover any field in comprehensive fashion, we will study some selected papers in the relatively new area of coalition formation. Familiarity with basic noncooperative game theory is assumed.

The Lectures

The first three lectures will study some new developments in the theory of binding agreements and coalition formation.


Basic reference: My lecture notes

Supplementary references:


Basic reference:


Supplementary references:


**Lecture 3.** Applications: Cournot oligopoly and public goods. Comments on Renegotiation in Coalition Formation.

*Basic references:*


*Supplementary references:*


The last two lectures will concentrate on aspects of group interaction in the non-binding case. Both lectures will study group interaction in repeated situations.

**Lecture 4.** The ex-post enforcement constraint: the case of informal insurance.


**Lecture 5.** Repeated group interaction with limited information flow.