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# SI 646: Information Economics, Winter 2009

## Today's Agenda:

1. Course Schedule
2. Course Syllabus
3. Shapiro and Varian, Ch. 1: the agenda...
4. Hirshleifer and Riley: decision-making under uncertainty

# Shapiro and Varian

**Information:** what is it?

1. Costs of Production: fixed versus marginal
2. Managing Intellectual Property
3. Information as “Experience Good”
4. The Economics of Attention

## Shapiro and Varian, II

**Technology**: infrastructure

1. Systems Competition
2. Lock-In & Switching Effects
3. Positive Feedback, Network Externalities, Standards

Policy?.....

## Hirshleifer and Riley

1. Making Decisions with Incomplete Information.
2. Static (“terminal”) and dynamic situations
3. In the latter dynamic case, what is the value of collecting additional information? Bayesian updating...

## Next Week: Pricing Information Goods

### 1. 3 required readings:

1. Shapiro & Varian
2. Nagle
3. Sahay

### 2. Atlantic Computer Case