SI 646 - Information Economics, Winter 2007

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Reading List – SI 646 – University of Michigan

Required texts:
ISBN: 087584863X

**WEEK 1**

**Introduction to Economics of Information**

**Objective:** Is information different? What are the scarce resources to allocate? What types of useful questions can we answer with information economics?

**Mandatory Read:**
1. SV ch. 1

**Supplemental Read:**

**WEEK 2**

**Pricing Information**

**Objective:** What value do individuals get from information? What are they willing to pay? How should information providers who want compensation for the distribution and/or use of their information set prices?

**Mandatory Read:**
1. SV ch. 2
Supplemental Read:

WEEK 3

Network Externalities

Objective: What are the implications for competition, efficiency and new product innovation when information goods or services are characterized by network externalities?

Mandatory Read:
1. SV ch. 7

Supplementary Read:

Case 1: U.S. v. Microsoft
2. Case notes by Jeffrey MacKie-Mason

WEEK 4

Bundling

Objective: How should an information provider in competition with others configure the information goods or services she offers? Digital information is relatively easy to unbundle and rebundle. If providers have imperfect information about what information consumers want, what strategies can they follow to learn about customer preferences?

Mandatory Read:
1. SV, ch. 3 pp. 73-78

**Supplementary Read:**

**Case 2: Bundling Academic Journals**

**WEEK 5**

**Rights Management**

**Mandatory Read:**
1. SV, ch. 4

**Supplementary Read:**

**Case 3: File Sharing**

**WEEK 6**

**The Long Tail**

**Mandatory Read:**

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