
Suggestions for Course Outlines

GRADUATE COURSE

While the independent **general reader** would find it most straightforward to read each part separately (though the parts may be taken in any order), an instructor of a **graduate course** might teach the material in the following order:

(i) *Basic Auction Forms and the Revenue Equivalence Theorem:*

Part A: Appendix 1.A, first part of Appendix 1.D, sections 1.1–1.4

Exercises 1–3

Further reading: Vickrey (1961), Myerson (1981)

(ii) *Applications of the Revenue Equivalence Theorem:*

Part B: sections 2.2, 2.5.2

Exercises 4–6

Further reading: Bulow and Klemperer (1994, 1999)

(iii) *The Analysis of Optimal Auctions, Including Marginal Revenues:*

Part A: Appendix 1.B, section 1.4

Exercises 7–8

Further reading: Myerson (1981), Bulow and Roberts (1989)

(iv) *Applications of Marginal Revenue Analysis:*

Part B: section 2.4

Part A: section 1.7.1

Further reading: Bulow and Klemperer (1996)

(v) *Common Values, and the Winner's Curse:*

Part A: Appendix 1.D (continued), section 1.7.2

Exercises 9–10

Further reading: Klemperer (1998)

(vi) *Affiliation:*

Part A: Appendices 1.C, 1.D (continued), section 1.6

Further reading: Milgrom and Weber (1982a)

(vii) *Other Theory (Risk-Aversion, Asymmetries, Budget Constraints, etc.):*

Part A: sections 1.5, 1.7, 1.11–1.14

Part B: section 2.5.1

Exercise 11

(viii) *Multi-Unit Issues, and Introduction to Entry, Collusion* (these topics will be a focus of segments (ix)–(x)):

Part A: sections 1.8–1.10, Afterword

Part D: section 6.5.2

Part B: section 2.3

(ix) *Practical Auction Design:*

Part C

(x) *Case Study: the European 3G Auctions:*

Part D

Each of these ten segments might use about 1–1.5 hours of class time. All of the further readings are reprinted in Klemperer (2000a), and many can also be found at www.paulklemperer.org. Optional additional readings are described in Part A, and are also reprinted in Klemperer (2000a).

UNDERGRADUATE COURSE

Undergraduate lectures might comprise:

(a) *Introduction to the Basic Auction Forms, Private and Common Values:* brief statements and explanations of the Winner’s Curse, and the Revenue Equivalence Theorem:

Part A: sections 1.1–1.4

Further reading: Part A: sections 1.5–1.7, first two parts of Appendix 1.D

(b) *Practical Auction Design*, including Case Study: the European 3G Auctions:

Part C

Part D (except chapter 7)

Each of these two lectures might take about 2 hours of class time.

MBA COURSE

An MBA course segment might be similar to the undergraduate lectures, but probably with less time devoted to (a), more time devoted to (b), and excluding the “further reading”.