

ECONOMICS OF INFORMATION

ECO-210-01 | Spring 2026 | Union College

Course Basics

Meets:

T/TH

Time: 9:00am - 10:45am

Instructor:

Dolores Garrido

Lippman Hall 205

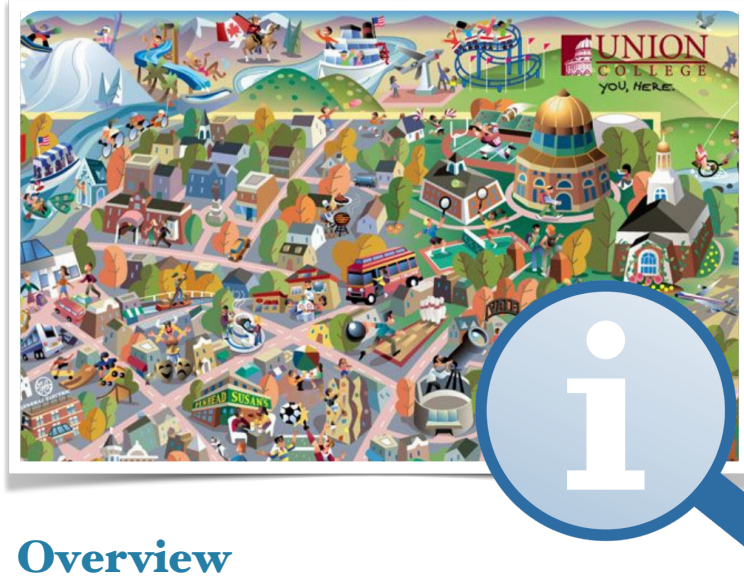
(518) 388-6365

garridom@union.edu

www.dolores-garrido.com

Prerequisites: ECO-101

Textbook: No mandatory textbook is required. This course is based on class lectures, selected papers and other readings to be provided to students on Nexus.



Overview

Economics of Information studies how information affects the decision-making process and strategic behavior of individual economic units, such as firms and consumers.

Information has economic value because it enables better decisions that yield higher payoffs than choices made in the absence of information. However, in many real-world economic situations, (e.g., when buying a used car), we make decisions without full information while others are better informed, benefiting from this asymmetric situation.

In this course we will learn concepts, models, and tools to analyze how individual economic units make decisions

when faced with more or less information than others in an economic transaction, agreement, or situation. We will explore applications to pricing strategies, marketing, insurance, environmental information, auctions, and digital information including AI.

The **primary objective** of this course is for you to become familiar with how economists think about real-life problems involving different information scenarios, and to understand the patterns of behavior and strategies that firms and consumers develop in response. A **secondary goal** is for you to develop discussion, critical-thinking, problem-solving and writing skills, as well you improve your argumentation and presentation techniques.

Logistics

Office Hours

I want you enjoy and succeed in this course. If you have questions about the course (e.g., material, assignments, assessments, etc.), please join my office hours. **I do love working with my students!**

Drop-in (in person office hours) in Lippman Hall 205 (my office):

- M: 10:00am - 11:30am
- W: 2:30pm - 4:00pm

First come, first served. If you arrive and I'm with other student, please knock and wait, and I'll be with you as soon as possible.

By appointment: If the above drop-in hours do not work for you, [email](#) me and we'll find another time to meet. Note that if you request to meet with less than 24 hours, it may happen I cannot find a time to meet with you. So, please plan in advance.

Class Dynamics

We regularly meet in person at scheduled days, times and classroom. Class starts promptly. Plan to arrive on time, and do not leave the classroom until class is dismissed. Each class combines my lectures with problem-solving exercises, debates, role-play games, simulations, as well as other activities aimed to promote an engaging and motivating learning environment. There is a 5-minute break in every class.

No requests to attend class via Zoom into class will be accommodated. If you cannot attend class due to any important documented reason that is officially communicated to me, your absence will not affect your attendance grade. In such cases, I'll do my best to provide you access to the material/content you missed. For all other absences, please refer to the attendance grading criteria. Ultimately, it is your responsibility to catch up with the class.

Communication



All class materials are posted on Nexus. [Email](#) is the best way to reach me for very quick inquires. For complex questions, please use my office hours.

Plan of Study

Introduction to Economics of Information:

- *Guess What, Why, Who, How, So What?*

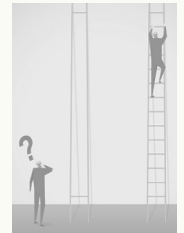
Price Discrimination:

- *Why did your airline ticket cost so much less than mine?*
- *How can Disneyland charge different prices for entry into the park?*



Asymmetric Information:

- *How likely are you to buy a used car which is not what you expected? Why?*
- *Why private health insurance is so expensive?*
- *Is going to college about learning skills or about signaling skills?*



Auctions:

- *How much "X" is worth to you? And to others?*



Digital Information:

- *How do digital information (e.g., AI and social media) affect economic activity?*



Group Project:

- *Let's investigate! What, Why, Who, How, So What?*

Course Schedule

The following content schedule is *TENTATIVE* and may be subject to change depending on the progress of the class and/or College mandates. Specific dates and times for submissions will be communicated at least one week in advance.

Week	Section	Topic	Due Assignments / Assessments
Weeks 1-3	Getting Started	<ul style="list-style-type: none"> Introduction to Economics of Information 	Guess WHO in Economics of Information
	Price Discrimination	<ul style="list-style-type: none"> Pricing Strategies Price Discrimination Case Study: Specialty teas The Parking Game Tying and Bundling 	Reading Quiz 1 Homework 1 Reading Quiz 2
Weeks 4-6	Asymmetric Information	<ul style="list-style-type: none"> What and Why? Adverse Selection Moral Hazard Signaling 	Homework 2 Mini-Test 1 (W4) Reading Quiz 3 Homework 3
	Group Project (GP)	<ul style="list-style-type: none"> GP Overview: Objectives, topic and deliveries Group work 	GP: Group selection GP: Topic selection and motivation
Weeks 6-7	Auctions	<ul style="list-style-type: none"> What and Why? Type of auctions Bidding behavior 	Reading Quiz 4 Homework 4
	Group Project (GP)	<ul style="list-style-type: none"> Tips on writing a research project GP grading rubrics Group work 	Mini-Test 2 (W7) GP: Progress I
Weeks 8-9	Digital Information	<ul style="list-style-type: none"> The Internet, AI, Social Media 	Reading Quiz 5 Homework 5
	Group Project (GP)	<ul style="list-style-type: none"> Tips on oral presentations Group work 	Exam (TBA) GP: Progress II
Week 10	Group Project (GP)	<ul style="list-style-type: none"> Oral presentations Group and individual deliveries 	GP: Group presentation GP: Group written report GP: Individual self-evaluation GP: Individual evaluation of group presentations

NOTE: Any modification in this course schedule will be announced in class and posted on Nexus.

Grading Criteria

Attendance (4%)

Regular attendance is expected. It is very important for the success of the classroom as a whole and for your individual success. Class starts promptly. Plan to **arrive on time and do not leave the classroom until class is dismissed.** If you cannot attend class for college-sanctioned activity, or any other officially documented reason, please inform me at least 24 hours in advance. Attendance will be graded as follows:

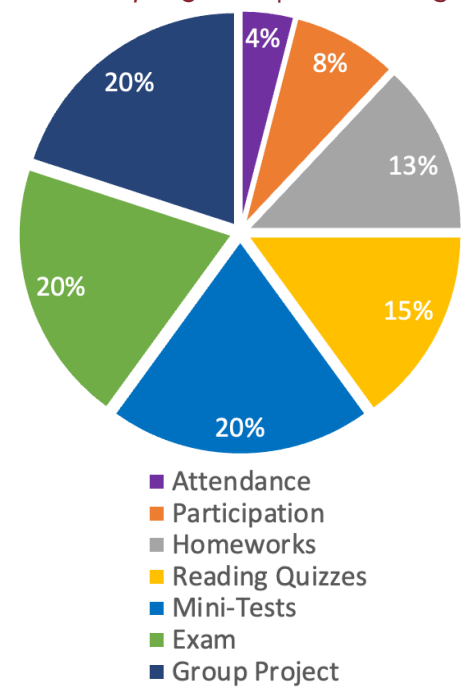
4%: miss 0-1 classes

1%: miss 4 classes

3%: miss 2 classes

0%: miss >4 classes

2%: miss 3 classes



Participation and Reflection (8%)

Class participation is essential for success in this course. It includes coming prepared by completing readings and drafting questions, actively engaging in class activities and discussions. As part of your participation grade, you will write **weekly self-reflections** (see participation rubric at the end the syllabus).

Homeworks (13%)

Homeworks (x5) are designed to help you grasp the basic class material. They also serve to test your abilities to learn on your own and help you become life-long learners.

- Homeworks will be posted on Nexus and are due at the announced date and time.
- They may include numerical and graphical analysis, interpretation and intuition, readings, listening to audios, watching videos, finding articles, and short written reflections or essays.
- Grades and feedback will be provided on Nexus shortly after submission.
- A late homework means you are getting behind the course content and the pace of the class. Therefore, no late submissions will be accepted.

Group Project (20%)

In group of approximately 3-4 people, you will conduct a research about any of the class topics. You will have to write a project and make a presentation. Instructions to develop this project will be announced in the 4th/5th week of class.

Reading Quizzes (15%)

In weeks 2–3, 5-6, and 8, the first class of the week will begin with a short (10-minute) **reading quiz (x5)** to ensure that you have completed the required readings

Mini-Test (20%)

Mini-Tests (x2) are aimed to evaluate your understanding of the class content. Each mini-test will be 45 minutes long. Date, content, format and instructions will be announced at least one week in advance.

Exam (20%)

There will be one **cumulative exam** (all class time) *tentatively* scheduled for week 8(9). Date, content, format and instructions will be announced at least one week in advance.

Grading Scale



93.00 and above	A	77.00 – 79.99	C+
90.00 – 92.99	A-	73.00 – 76.99	C
87.00 – 89.99	B+	70.00 – 72.99	C-
83.00 – 86.99	B	60.00 – 69.99	D
80.00 – 82.99	B-	Below 60.00	F

Note: Grades will NOT be curved or rounded.

Academic Honesty and the Honor Code

Union College recognizes the need to create an environment of mutual trust as part of its educational mission. Responsible participation in an academic community requires respect not only for oneself, but also for the thoughts and work of others, whether expressed in the present or in some distant time and place. As a student, you are expected to abide by Union College's Honor Code. Academic dishonesty is a rejection of the very purposes and ideals for which the College stands: personal integrity, independence of thought, critical understanding, and responsibility for one's own work.

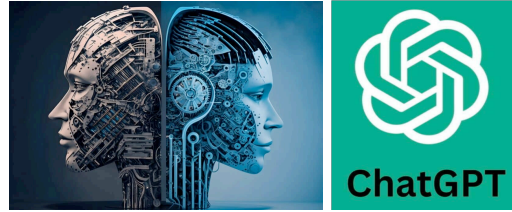
According to Union College's Honor Code, **any academic work that students submit and represent as their own must indeed be their own. Submitting work produced by any other source—whether another person, a technological entity (e.g., AI), or any other source—and falsely claiming it as your own constitutes plagiarism, a serious breach of academic honesty, and may result in disciplinary action. Using words of others without proper attribution, regardless of intent, also constitutes plagiarism.**

Information about the Academic Honor Code is available at www.honorcode.union.edu. You are responsible for understanding the Honor Code and for meeting its requirements. If you have any questions about what constitutes academic honesty or plagiarism, please come talk to me before you turn in your work. **Ignorance is not an excuse for academic dishonesty.**

In a spirit of mutual respect and of dedication to your education, I affirm my commitment to the faculty's standards of professional ethics as laid out in the Faculty Manual.

Notes on mini-tests and exam

- **Answers must clearly show your work to get full credit.**
- **Mini tests and exam are expected to be taken as scheduled.** Makeups will not be given. I only do make an exception in the case of an emergency and officially documented reason showing you were unable to take the test/exam at the scheduled time.



A Note on Artificial Intelligence (AI)

According to Union College's [Honor Code](#), submitting work that is produced by any source, whether it be another person or a technological entity (e.g., AI), and falsely claiming it as your own constitutes an act of academic dishonesty and could result in disciplinary action.

Who hasn't heard about ChatGPT, Google Gemini and other Generative AI tools?

[The chatbots that took the Internet by storm with a click!]

While Generative AI tools can “miraculously” write a full-length essay with you just commanding it with a single-line prompt, when it comes to writing research, they have important limitations:

- AI tools are incapable of distinguishing between correct and incorrect information.
- AI tools are very bad at producing formal literature surveys or bibliographies because they do not have fully access to academic journals and papers, just to abstracts. They are designed to combine different text rather than accurately summarize or explain a single source of text.
- AI tools don't provide accurate citations of sources when they write something. They produce references or quotations by combining pieces of several references or quotations, producing a “new” reference or quotation that doesn't actually exist. If you copy an answer from them word-for-word, you'll likely end up plagiarizing another source.
- AI tools may experience issues understanding the vocabulary that is very specific to narrow subject or context.
- AI tools may not be up to date.

As outlined by Union College's Honor Code, **ALL WORK in your course assignments and assessments must be YOUR OWN!** and any sources that contribute to your work must be properly acknowledged and cited. Failure to do so will be considered a violation of the honor code.

Think on Generative AI tools as friends who can help you think more clearly. That's it!

- Asking AI to answer homework questions or develop your course project will not help you truly learn the material.
- Think of AI as an extra resource, not as substitute for your own intellectual effort.

In the context of the course project, inappropriate use of generative AI tools could be classified as any of the following academic violations, as per Union's Honor Code:

- **Plagiarism** involves two elements: (1) taking something produced or created by someone else; (2) failing to give proper indication that you have done this.
- **Falsification of data or evidence** is altering or fabricating any information, data, or citation that may mislead those reading an assignment.

Recommended Reading



[Required readings will be posted to Nexus]

Books (selected chapters)

Baye, M.R. and J.T. Prince (2016) *Managerial Economics and Business Strategy*, 6th edition. McGraw-Hill.

Besanko, D. and R. Braeutigam (2020) *Microeconomics*, 6th edition. Wiley.

Brousseau, E. and Curien, N. (2007) *Internet and Digital Economics. Principles, Methods and Applications*. Cambridge University Press.

Cellini, P. (2015) *Internet Economics. Understanding Digital and New Media Markets*. Luiss University Press.

Cowen, T. and A. Tabarrok (2015). *Modern Principles: Microeconomics*, 3rd edition. Worth Publishers.

Karlan, D. and J. Morduch (2020) *Economics. Improve Your World*, 3rd edition. McGraw Hill.

Klein, G. and Y. Bauman (2010) *The Cartoon Introduction to Economics: Volume One: Microeconomics*. Hill & Wang.

Moho, I. (1997) *The Economics of Information. Lying and cheating in markets and organizations*. Blackwell Publishers.

Oyer, P. (2014) *Everything I ever needed to know about economics I learnt from online dating*. Harvard Business Review Press.

Papers and Reports (a selection will be provided)

Andrews, R.J. and Stange, K.M. (2019) "Price Regulation, Price Discrimination, and Equality of Opportunity in Higher Education: Evidence from Texas." *American Economic Journal: Economic Policy*, 11(4):31-65.

Akerlof, G. (1970) "The Market for Lemons: Quality Uncertainty and the Market Mechanism." *Quarterly Journal of Economics*, 84:488-500.

Atkinson, L. and S. Rosenthal (2014) "Signaling the Green Sell: The Influence of Eco-Label Source, Argument Specificity, and Product Involvement on Consumer Trust." *Journal of Advertising*, 43(1):33-45.

Berrone, P., Fosfury A. and L. Gelabert (2017) "Does Greenwashing Pay Off? Understanding the Relationship Between Environmental Actions and Environmental Legitimacy." *Journal of Business Ethics*, 144:363-379.

- Botelho, A., Dinis, L., Lorenzo-Gomes, L., Moreira, J., Costa Pinto, L. and O. Simoes (2017) "The effect of sequential information on consumers' willingness to pay for credence food attributes." *Appetite*, 118:17-25.
- Chulkov, D. and D. Nizovtsev (2016) "Exploring price discrimination in an e-commerce environment." *Journal of the International Academy for Cases Studies*, 22(3):157-164.
- Coiera, E. (2000) "Information Economics and the Internet." *Journal of the American Medical Information Association*, 7(3):215-221.
- Connelly, B.L., Certo, S.T., Ireland, R.D. and C.R. Reutzel (2011) "Signaling Theory: A Review and Assessment." *Journal of Management*, 37(1):39-67.
- Delmas, M.A. and V.C. Burbano (2011) "The Drivers of Greenwashing." *California Management Review*, 54(1):64-87.
- Garrido, D., Gallardo, R.K., Ross, C.F., Montero, M.L., and J. Tang. (2021) "Does the order of presentation of extrinsic and intrinsic quality attributes matter when eliciting willingness to pay?" *Journal of Food Science*, 86(8):2358-3671.
- Garrido, D., Gallardo, R.K., Ross, C.F., Montero, M.L., and J. Tang. (2021) "The effect of intrinsic and extrinsic quality on the willingness to pay for a convenient meal: A combination of home-use-test with online auctions." *Journal of Sensory Studies*, 36(5):e12682.
- Garrido, D., Espinola-Arredondo, D. and F. Munoz-Garcia (2020) "Can mandatory certification promote greenwashing? A signaling approach." *Journal of Public Economic Theory*, 22:1801-1851.
- Greenstein, S. (2020) "The Basic Economics of Internet Infrastructure." *Journal of Economic Perspectives*, 34(2):192-214.
- Jin, G.Z. and Wagman, L. (2021) "Big data at the crossroads of antitrust and consumer protection." *Information Economics and Policy*, 54:100865.
- Lucking-Reiley, D. (2000) "Vickrey Auctions in Practice: From Nineteenth-Century Philately to Twenty-First Century E-Commerce." *Journal of Economic Perspectives*, 14(3):183-192.
- McCluskey, J. (2000) "A Game Theoretic Approach to Organic Foods: An Analysis of Asymmetric Information and Policy." *Agricultural and Resource Economics Review*, 29/1:1-9.
- Michale, J. Zillante A., Stafford, S., Bunchholz, G., Guthric, K. and J. Heath (2005) "The Campus Parking Game: A Demonstration of Price Discrimination and Efficiency." *Southern Economic Journal*, 71(3):688-682.
- Milgrom, P. (199) "Auctions and Bidding: A Primer." *Journal of Economic Perspectives*, 3:3-22.
- NYC Department of Consumer Affairs (2015) *From Cradle to Cane: The Cost of Being a Female Consumer*. A Study of Gender Pricing in New York City.
- OECD (2016) *Price Discrimination. Background paper*.
- Puller and Taylor (2012) "Price discrimination by day-of-week of purchase: Evidence from the U.S. airline industry." *Journal of Economic Behavior & Organization*, 84:801-812.

Roth, A.E. and A. Ockenfels (2002) “Last-Minute Bidding and the Rules for Ending Second-Price Auctions: Evidence from eBay and Amazon Auctions.” *The American Economic Review*, 92(4):1093-1103.

Spence, M. (1973) “Job Marketing Signalling.” *Quarterly Journal of Economics*, 87:355-374.

Stigler, G.J. (1961) “The Economics of Information.” *The Journal of Political Economy*, 69(3):213-225.

Stiglitz, J.E. (2017) “The Revolution of Information Economics: The past and the future.” *National Bureau of Economics Research Working Paper*, 23780.

Terrachoice (2010) *The sins of greenwashing. Home and family edition 2010. A report of environmental claims made in North America consumer market*. Northbrook, IL: Underwriters Laboratory.

Truong, Y. and J. Pinkse (2019) “Opportunistic behaviors in green signaling: When do firms engage in symbolic green product preannouncement?” *International Journal of Production Economics*, 218:287-296.

Vickrey, W. (1961) “Counterspeculation, Auctions, and Sealed Tenders.” *Journal of Finance*, 16:8-37.

Zeithaml, V.A., Rust, R.T. and Lemon, K.N. (2001) “The Customer Pyramid: Creating and Serving Profitable Customers.” *California Management Review*, 43(4):118-142.

Zhang, K.M. and Z. Vickers (2014) “The order of tasting and information presentation in an experimental auction matters.” *Food Quality and Preference*, 26:12-14.

Other readings and resources

Newspaper and magazine articles (Wall Street Journal, the Economist, The New York Times), podcasts, documentaries and movie clips.

DISCLAIMER: It may become advisable or necessary to adjust in the course plan, including assignments and exam dates. Consequently, this syllabus and class dynamics are subject to change due to College mandates and/or to facilitate instructional and/or students' needs.

Course Policies

Class Environment



Let's create an atmosphere in which everyone feels comfortable with the class. The use of electronic items (such as cell phones, music devices, laptops), late arrival, leaving the class while meetings, making noise, conversations that interfere with class activity, and similar conducts can disrupt the class dynamic. Please refrain to do any of these practices.

Accommodation



It is the policy of Union College to make reasonable accommodations for qualified individuals with disabilities and learning differences. If it is your case and you wish to request accommodations for this course, please visit the Accommodative Services Office (located in Shaffer Library - Room 222), call them at (518) 388-8785, or email their Director, Laura Galt at galtl@union.edu. Once you have received approved accommodations from them, please contact me as soon as possible to discuss your needs. Please be aware that no accommodations are to be provided without documentation from the Accommodative Services Office.

Diversity + Inclusion



I would like to create a learning environment for my students that supports a diversity of thoughts, perspectives, and experiences, and honors your identities (including race, gender, class, sexuality, religion, ability, etc.) To help accomplish this:

- If you have a name and/or set of pronouns that differ from those that appear in your official Union College records, please let me know!
- If you feel like your performance in the class is being impacted by your experiences outside of class, please don't hesitate to stop by my office and talk with me. I want to be a resource for you.
- I (like many people) am still in the process of learning about diverse perspectives and identities. If something was said in class (by anyone, including me!) that made you feel uncomfortable, please talk to me about it.
- As a participant in class activities, you should also strive to honor the diversity of your classmates. Let's do not (pre)judge others!

Please express yourself! A significant part of a college education is learning about the complexity of various issues. Therefore, it is important that we listen and respect one another but we do not have to agree. A richer discussion occurs when a variety of perspectives are presented in class for discussion. of perspectives are presented in class for discussion.

I DO NOT OFFER EXTRA CREDIT. This is because if everyone knows about it, it's not really extra credit. It's just another assignment. If some people don't know about it (for instance, if a specific student asks for extra credit at the end of the term), then I'm treating my students differently, which I make every attempt to avoid because I don't find it fair.

Based-Gender Misconduct and Harassment



I will listen and believe you if someone is threatening you.

Lauren McCluskey, a 21-year-old honors student athlete, was murdered on Oct 22, 2018, by a man she briefly dated on the University of Utah campus. We must all take actions to ensure that this never happens again.

www.laurenmccluskey.org



It's on Us pledge is a personal commitment to help women and men safe from sexual assault. It is a promise not to be a bystander to the problem, but to be a part of the solution, by:

- Recognizing that non-consensual sex is sexual assault.
- Identifying situations in which sexual assault may occur.
- Intervening in situations where consent has not or cannot be give.
- Creating an environment in which sexual assault is unacceptable and survivors are supported.

www.ItsOnUs.org

If you are in immediate danger, call 911.

If you are experiencing sexual assault, domestic violence, and stalking, please report it to me and I will connect you to [resources](#), or call Campus Safety (518) 388-6911 or call the Union College Sexual Assault Resource Hotline at (518) 388-6600 ext. 1 (an advocate is available 24/7 to confidentially explain all available resources and options).

Union College is committed to promoting a welcoming campus environment where sexual misconduct in all forms is strictly prohibited and recognized as unacceptable. If you (or someone you know) may have been sexually assaulted or subjected to sexual harassment, relationship violence or stalking, there are numerous avenues of support and options you can pursue. Seek help even if you are not sure if sexual misconduct has occurred; Union encourages you to report any form of sexual misconduct. Please visit the [Title IX site](#) for more detailed information regarding Union College's Sexual Misconduct Policy and Grievance Procedures.

Other confidential campus resources include Wicker Wellness Center Counseling Center (518) 388-6161 and Health Services (518) 388-6120.

World Uncertainties



I understand we live in a world of uncertainties (most recently the COVID-19 pandemic) that may require changes in this course plan. In such a case, I will be monitoring the situation closely. If I need to change the format of the course temporarily due to outbreaks of illness/other, I'll announce this via email and Nexus. We are expected to abide by all current Union College policies and guidance. **Let's all be responsible!**

ECO-210-01
Spring 2026

Class Participation (*evaluate your engagement*) Rubric (8% of total grade)

	Excellent 8%	Competent 6-7%	Poor – 3-4-5%	Very Poor – 0-1-2%
ENGAGEMENT	<i>I am fully engaged.</i>	<i>I'm occasionally engaged.</i>	<i>I'm not sure how to be engaged; I need some direction.</i>	<i>I am totally disengaged.</i>
PREPARATION (pre class)	<i>I read carefully and research background information on the class topic ahead of time. I consider the course's essential questions as I prepare.</i> Required pre-class participation activities <u>always</u> submitted (no missing submission)	<i>I do basic research to understand the material, but I do not go beyond the obvious. Sometimes I consider the course's essential questions as I prepare.</i> Required pre-class participation activities <u>frequently</u> submitted (1 missing submission)	<i>Sometimes I do the readings. I don't research to understand the material, nor do I go beyond the obvious.</i> Required pre-class participation activities <u>sometimes</u> submitted (2 missing submissions)	<i>I rarely read nor research before class.</i> Required pre-class participation activities <u>rarely</u> submitted (≥ 3 missing submissions)
PARTICIPATION (in class)	<i>I speak regularly and provide evidence to support my ideas.</i> Thoughtful participation in required activities and regular voluntary contributions beyond them.	<i>I speak occasionally. Sometimes I present general evidence to support my position.</i> Occasionally thoughtful participation in required activities and regular voluntary contributions beyond them.	<i>I sometimes speak. Mostly when I'm asked by the professor.</i> Brief participation only when prompted.	<i>I rarely or never do speak in class.</i> No active participation or no speaking in class at all.
SELF-REFLECTION (post class)	<i>I submit reflections that are thoughtful, specific and clearly connect course concepts to class discussions and/or examples. I critically evaluate my participation and identify ways to improve.</i> All weekly reflections are submitted on time (no missing posts)	<i>I submit reflections that show some connection to course concepts, but they lack depth or specificity.</i> Weekly reflections are <u>frequently</u> submitted (1 missing or late submission)	<i>I submit reflections irregularly or with minimal effort, with limited or unclear connect to course material.</i> Weekly reflections are <u>frequently</u> submitted (2 missing or late submissions)	<i>I rarely or never submit reflections. My reflections lack effort or are incomplete.</i> Weekly reflections are <u>rarely</u> submitted (≥ 3 missing or late submissions)

Bold – Criteria used to determine your participation grade.

Italics – Criteria you can use to self-evaluate your engagement in class.