

## **ECON 321, Assignment 23: BP Section 23.1, Infomediaries**

1. This is a short read, just the introduction and Section 23.1.1.
2. Do the model in 23.1.1 in Mathematica. To make the model simpler, you can set  $s_0 = 1$ ,  $c = 1$ ,  $\gamma = 5$  (that's gamma),  $\pi_0 = 100$ , and you will only consider values of  $\sigma$  between  $-1/20$  and  $+1/20$ . Make three graphs along the lines of Figure 23.1. Remember, there are  $n$  firms,  $n^*$  of them send messages, and the consumers actually process  $\phi$  (phi) of the messages.