



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN  
BERGHEIMER STR. 58, 69115 HEIDELBERG, TEL. 06221/54-2941, FAX: 06221/54-3592  
REDAKTION: FREYA SCHADT, EMAIL: NEWSLETTER@AWI.UNI-HEIDELBERG.DE

---

## AWI This Week

### **Wednesday, 03. 06. 09     Departmental Seminar**

17.15-18.45

AWI 00.010

Dongsoo Shin, University of Mannheim

"Optimal Purchasing Strategy: Burning What You Bought"

### Departmental Seminar

Dongsoo Shin

"Optimal Purchasing Strategy: Burning What You Bought"

This paper provides a novel explanation of stockpiling behavior and selective acceptance of manufacturers in retailing. In our model, after purchasing an amount of a product from the manufacturer, the retailer must exert a costly effort to sell the product to the final users. The manufacturer's cost structure, either low-variable/high-fixed cost or high-variable/low-fixed cost, is not known to the retailer. We show that, the retailer sometimes deliberately purchases a larger amount than it sells to the final users (thus wasting the unsold amount), or even shuts down its purchasing and sales operation. Our finding suggests that such strategies may be employed as a screening device in the upstream market.

### Talks and Research Visits

On May 4, 2009, Lars P. Feld was named as a referee by the Bundesrat for the joint hearing of the Legal Committee of the Bundestag and the Finance Committee of the Federal Council on the bill of the groups the CDU/CSU and SPD "Entwurf eines Begleitgesetzes zur zweiten Föderalismusreform" in Berlin.

On May 7, 2009, Lars P. Feld talked at the Conference of the Wissenschaftszentrum Berlin (WZB), the ifo Institute of the TU Dresden *After the reform is before the reform? Advantages and disadvantages of Föderalismusreform II* on the topic "Evaluating the results of the Föderalismusreformkommission II", in commemoration of Prof. Dr. Helmut Seitz, Dresden.

On May 8, 2009 Lars P. Feld held a lecture at the Georg-August-Universität Göttingen, on "Weg und Wille zu mehr direkter Demokratie in Deutschland und in Europa", Interdisciplinary /cege/ symposium "On the importance of referenda on the European integration process"

### New Publications

Lars P. Feld: *Der kommunale Kassenkredit zwischen Liquiditätssicherung und Missbrauchsgefahr*, ZEW Economic Studies, Publications of the ZEW, Vol., Nomos, Baden-Baden, March 2009, 201 pages, ISBN 978-3-8329-3919-9 (with Friedrich Heinemann, Benny Geys, Christoph Gröpl, Sebastian Hauptmeier and Alexander Kalb).

Lars P. Feld: *Are Fiscal Adjustments Less Successful in Decentralized Governments?*, European Journal of Political Economy 25 (1), 2009, 115 - 123 (with Christoph A. Schaltegger).

**Editorial deadline for issue 15/2009 of the newsletter:  
Wednesday, June 03, 2009, 12 o'clock  
newsletter@awi.uni-heidelberg.de**

If you would like to receive the newsletter by email,  
please contact the address above.