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AWI This Week

Monday, 29. 6. 09

Departmental Seminar

17.15-18.45

Urs Schweizer,
Department of Economics, University of Bonn

AWI 00.010

"Damages for Negligent Provision of Information"

Wednesday, 1. 7. 09

Internal Seminar

17.15-18.45

Adam Dominiak and Peter Dürsch

AWI 00.010

"A Dynamic Ellsberg Urn Experiment"

Departmental Seminar

Urs Schweizer

"Damages for Negligent Provision of Information"

Information provided by the issuer affects prices at which equity transactions take place. The issuer may be negligent either in spending too little effort at investigating relevant matters or in disseminating available information untruthfully or in both. As a consequence of such negligent behaviour, market participants may suffer losses. Legal systems provide a rather disparate array of remedies without providing a coherent theory that would support the design of these remedies. The present paper propagates a general principle according to which courts may award damages and it identifies conditions under which such damages would generate incentives for the issuer to investigate with sufficient care and to disclose information truthfully. The proposed principle consists of extending the difference hypothesis widely accepted elsewhere to situations of uncertain causation.

Internal Seminar

Adam Dominiak and Peter Dürsch

"A Dynamic Ellsberg Urn Experiment"*

Two rationality conditions constitute a backbone to justify the link between the conditional and unconditional preferences in decision theory: dynamic consistency, and consequentialism. Dynamic consistency requires that ex ante contingent choices are respected by updated preferences. Consequentialism states that only those outcomes that are still possible can matter for updated preferences. We test the descriptive validity of these rationality arguments by running a dynamic version of Ellsberg's three color experiment.

*with Jean-Philippe Lefort

Talks and Research Visits

On June 8, 2009 Hans Diefenbacher presented a paper „Sustainable Development – from the evolution of knowledge to the design of political strategies” at the 7th international conference „Uwarunkowania i mechanizmy zrównoważonego rozwoju” (Conditions and mechanisms of sustainable development) at the university of Białystok/Poland; this paper has been already published: Hans Diefenbacher: „Rozwój zrównoważony – od postępu wiedzy do opracowania strategii politycznych”, in: Dariusz Kiełczweskiego (ed.): Od koncepcji ekorozwoju do ekonomii zrównoważonego rozwoju. Białystok 2009, S. 194 – 209.

Visitors

From June 29 to July 3, Dimitri Vinogradov from Essex Business School, UK, is staying at the AWI (room 01.012a) for research with Jürgen Eichberger.

**Editorial deadline for issue 19/2009 of the newsletter:
Wednesday, July 1, 2009, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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