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AWI This Week

Monday, 23. 11. 09

Departmental Seminar

17.15-18.45

AWI 00.010

Ralph Friedmann, Saarland University

"On the Measurement of Intraday Overreaction of
Stock Prices"

Wednesday, 25.11.09

Internal Seminar

17.15-18.45

AWI 00.010

Christiane Schwieren

"Personality and Behavior in Economic Games"

Departmental Seminar

Ralph Friedmann

"On the Measurement of Intraday Overreaction of Stock Prices" *

We propose a concept of intraday overreaction characterized by intraday price movements which are corrected within the same trading day. It is a concept of relative overreaction in the sense that the extremal intraday price fluctuation is compared with the open-close price change. As a one-sided concept it allows to distinguish between upward and downward overreaction. A test for overreaction is proposed and applied to daily high, low, and open-close returns of the components of the S&P500 and to the German XETRA-DAX stock shares, providing strong support for intraday overreactions to bad news.

*with Martin Becker and Stefan Klößner

Internal Seminar

Christiane Schwieren

"Personality and Behavior in Economic Games"

Behavioral and experimental economists have shown that people consistently deviate from game theoretic predictions when playing games such as a trust game or an ultimatum game. Recently, some economists have started to look at personality variables as potential explanatory variables for behavior in games. We measured personality traits in a large sample of subjects and had them play different games in a row. This allows us to test whether certain personality variables enable us to predict behavior consistently in different games and help to categorize heterogeneity found, based on standard accepted personality constructs. Basing explanations for behavior in economic games on personality constructs instead of just forming "types" or using risk attitude as an explanatory variable should allow us to make more precise predictions beyond what we can predict from knowing someone's risk attitude. We discuss whether this is in fact the case and whether therefore assessing personality measures adds something important to the analysis of economic behavior in games.

Miscellaneous

Malte Faber has been appointed by the Bundesministerium für Bildung und Forschung to become a member of the Scientific Council for the Research Programm "Wirtschaftswissenschaften für Nachhaltigkeit (WiN2)".

**Editorial deadline for issue 28/2009 of the newsletter:
Wednesday, November 25, 2009, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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