



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN
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AWI This Week

Monday, 7. 6. 10

Departmental Seminar

17.15-18.45

Jürgen Huber, University of Innsbruck

AWI 00.010

"Experimental Asset Markets with Endogenous Choice of Costly Asymmetric Information"

Monday, 7. 6. 10

Jahrestreffens des Deutsch-Polnischen Netzwerks Wissenschaftler für nachhaltige Entwicklung – öffentliche Abendvorträge

19.15-21.00

Andreas Irmen

AWI 00.010

"Ist Wirtschaftswachstum systemimmanent?"

Bazyli Poskrobko, Uniwersytet w Białymstoku (Polen)

"Naturkapital – Reichtum der Nationen"

Wednesday, 9. 6. 10

Internal Seminar

17.15-18.45

Andrea Leuermann

AWI 00.010

"Intergenerational Transmission of Risk Attitudes -
A Revealed Preference Approach"

Departmental Seminar

Jürgen Huber

"Experimental Asset Markets with Endogenous Choice of Costly Asymmetric Information"

Asymmetric distribution of information, while omnipresent in real markets, is rarely considered in experimental financial markets. We present results from experiments where subjects endogenously choose between five information levels. We report mostly supporting evidence for the theoretical predictions of Grossman/Stiglitz (1980}. Specifically, we find that (i) uninformed traders earn the highest net returns in each treatment, while average informed traders always perform worse even when information costs are not considered; (ii) traders learn to pick the most advantageous information levels (full information or uninformed) over time, and (iii) market efficiency decreases with higher information costs.

Internal Seminar

Andrea Leuermann

"Intergenerational Transmission of Risk Attitudes - A Revealed Preference Approach"

Using the German Socio-Economic Panel (GSOEP), we investigate whether the willingness to take risks revealed via observed choices of occupation is transmitted from parents to children. Our approach resembles the one by Dohmen et al. (2008) who investigate the same question using stated preferences. As risk measure we use earnings risk measured by the cross-sectional coefficient of residual variation obtained from Mincerian wage regressions. We find that fathers' riskiness of the job chosen is a significant determinant of sons' occupational risk. Our results are robust to different specifications and estimators, underpinning the hypothesis of intergenerational transmission of risk preferences.

Jour Fixe

The AWI JOUR FIXE takes place at the Lounge on a weekly basis on Mondays from 16:30 till 17:15 (i.e., just before the departmental seminar). There you will have the opportunity to meet the speaker, enjoy a coffee, and exchange news and discuss research with other members of the AWI.

Talks and Research Visits

Johannes Voget presented his paper "International Taxation and Takeover Premiums in Cross-border M&As" at the conference of the German Academic Association for Business Research in Bremen, May 27, 2010.

Miscellaneous

The world championship starts soon, so we are now presenting the "AWI WM Tipspiel" (<http://www.kicktipp.de/awihd/>). If you are interested, simply follow the link and create an account to enter your tips. Of course, there will be a prize at the end! Every participant pays 10€. The overall winner receives 50% of the total, the second placed 30% and the third 20%. As literature for this applied game and decision theory task, we suggest "Myths and Facts about Football: The Economics and Psychology of the World's Greatest Sport" by Andersson/Ayton/Schmidt. For questions, please ask Peter Dürsch or Freya Schadt.

**Editorial deadline for issue 14/2010 of the newsletter:
Wednesday, June 9, 2010, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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