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AWI This Week

Monday, 14. 6. 10 Departmental Seminar

17.15-18.45

Andreas Lange,
University of Maryland/University of Hamburg

AWI 00.010

"Dictating the Risks – Experimental Evidence on Norms of
Giving in Risky Environments"

Wednesday, 16. 6. 10 Internal Seminar

17.15-18.45

Florian Wilken

AWI 00.010

"Purchasing Policies and Seller Market Structure in an
Experiment"

Departmental Seminar

Andreas Lange

"Dictating the Risks – Experimental Evidence on Norms of Giving in Risky Environments "**

We study if and how social preferences extend to risky environments. By providing experimental evidence on different versions of dictator games with risky outcomes, we establish that social preferences of players who give in standard dictator games are best described by concerns for the distribution of ex ante chances to win rather than considerations of ex post payoff distributions. The more money decision-makers transfer in the dictator game, the more likely they are to equalize to payoff chances under risk. Risk to the recipient does, however generally decrease the transferred amount.

* with J. Michelle Brock and Erkut Y. Ozbay

Internal Seminar

Florian Wilken

"Purchasing Policies and Seller Market Structure in an Experiment"

A two-period model is investigated where sellers have to exit after the first period when profits are insufficient. Two buyers decide how to allocate their demand to two sellers. A duopoly, a monopoly or a situation with no active seller can arise in the second period. Different purchasing policies are implemented in an experiment and compared to the baseline model. When subsidies can be paid to sellers, buyers actively use this option and the probability of a duopoly in period 2 increases. Duopolies are also more frequent when buyers announce their demand split before the sellers' bids. With split-award contracts sellers try to avoid a strategic demand split by offering quantity discounts. No change in the frequency of duopolies is observed. The subsequent seller market structure thus depends critically on the purchasing policy. Buyers can make use of purchasing policies to actively influence the seller market structure.

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

Andreas Roider presented his paper "Optimal Incentive Contracts under Moral Hazard When the Agent is Free to Leave" at the University of Dortmund, June 7.

Johannes Jarke participated in the 9th session of the European School on New Institutional Economics (ESNIE) at Cargèse, France, May 31 - June 5.

Alec Sproten participated in the 5th international Maastricht Brain Imaging Center fMRI School, May 31 – June 3.

Christian Conrad presented his paper "On the transmission of memory: inflation persistence and the Great Moderation" (joint with Simone Elmer and Menelaos Karanasos) at the Macro and Financial Economics conference at Brunel University, London, May 27.

**Editorial deadline for issue 15/2010 of the newsletter:
Wednesday, June 16, 2010, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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