



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN  
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## AWI This Week

**Monday, 19. 4. 10**

**Departmental Seminar**

17.15-18.45

Kerstin Preuschoff, University of Zurich

AWI 00.010

"Evaluating risks and benefits - a neural perspective"

**Wednesday, 21. 4. 10**

**Job Talk**

16.15 – 17.45

Andreas Löschel

AWI 00.010

"Ökonomische Simulationsmodelle zur Analyse energie- und klimapolitischer Maßnahmen"

## Abstracts

### Departmental Seminar

Kerstin Preuschoff

"Evaluating risks and benefits - a neural perspective"

We review recent brain-scanning (fMRI) evidence that activity in certain sub-cortical structures of the human brain correlate with changes in expected reward, as well as with risk. Risk is measured by variance of payoff, as in Markowitz' theory. The brain structures form part of the dopamine system. This system had been known to regulate learning of expected rewards. New data show that it is also involved in perception, of expected reward, and of risk. The findings suggest that the brain may perform a higherdimensional analysis of risky gambles, as in standard portfolio theory, whereby risk and expected reward are considered separately. That is, the human brain appears to literally record the very inputs that have become a defining part of modern finance theory.

### Jour Fixe

The AWI inaugurates the AWI JOUR FIXE that will take 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

**Julia Müller** presented her paper "There is more to it than meets the eye - an eye-tracking experiment on the beauty contest game" (joint with Christiane Schwieren) at the International Meeting on Experimental & Behavioral Economics in Bilbao, April 08.

**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 18th Annual Symposium of the Society for Nonlinear Dynamics and Econometrics (University of Piemonte Orientale and Collegio Carlo Alberto), April 02.

### New Publications

Conrad, C. (2010): "Non-negativity conditions for the hyperbolic GARCH model." Journal of Econometrics, forthcoming.

Jürgen Eichberger, Simon Grant and David Kelsey: "Comparing three ways to update Choquet beliefs," forthcoming in Economics Letters 107 (2), May 201

## New and Leaving Staff

In February Boris Wiesenfarth started his work towards a Ph.D. with Jürgen Eichberger at the chair of Economic Theory. He received his Diploma at the University of Karlsruhe and is particularly interested in decision theory and finance.



Nathalie Jorzik, chair of Economic Theory, left the AWI after submitting her doctoral thesis in February.

**Editorial deadline for issue 7/2010 of the newsletter:  
Wednesday, April 21, 2010, 12 o'clock  
[newsletter@awi.uni-heidelberg.de](mailto:newsletter@awi.uni-heidelberg.de)**

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