ALFRED-WEBER-INSTITUT

Newsletter 08/2011

ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN
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AWI This Week

Monday, 2. 05. 11	**Departmental Seminar**
17.15-18.45	Alan D. Miller, University of Haifa
AWI 00.010	"An Axiomatization of Path-Based Rules"

Wednesday, 4. 05. 11	**Departmental Workshop**
17.15-18.45	Audrey Hu, Tilburg University
AWI 00.010	"Premium Auctions and 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.

Abstracts

Departmental Seminar

Alan D. Miller

"An Axiomatization of Path-Based Rules"

The coefficient of resource utilization (Debreu, 1951) is a measure of the degree to which resources in an economy are underutilized. We introduce a new characterization of the coefficient of resource utilization. To prove the characterization we introduce a theorem showing that, on a more general domain of problems, any rule satisfying a subset of the axioms must be path-based. We then show that this latter theorem can be applied to a wide range of seemingly different problems. As an application, we use the theorem to characterize quantile functions.

Departmental Workshop

Audrey Hu,

"Premium Auctions and Risk Preferences"*

In a premium auction, the seller offers some "payback," called premium, to the highest bidders. This paper investigates how the performance of such premium tactic is related to the participants' risk preferences. By developing an English premium auction model with symmetric interdependent values, where both the seller and the buyers may be risk averse (or preferring), we show that a) the premium reduces the riskiness of revenue regardless of the bidders' risk preferences, and b) the premium causes the expected revenue to increase in the bidders' risk tolerance. A "net-premium effect" and a "second-order stochastic dominance effect" are key to these results.

*with Theo Offerman and Liang Zou

Editorial deadline for issue 09/2011 of the newsletter:
Wednesday, May 4, 2011, 12 o'clock
newsletter@awi.uni-heidelberg.de

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please contact the address above