



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN
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AWI This Week

Monday, 11.07.11

Departmental Seminar

17:15 - 18:45

Dorothea Kübler, WZB Berlin

AWI 00.010

"Centralized University Admissions in Germany: Empirical and Experimental Evidence"

Wednesday, 13.07.11

Departmental Workshop

17:15 - 18:45

Daniel Rittler, University of Heidelberg

AWI 00.010

"Price Discovery and Volatility Spillovers in the European Union Emissions Trading Scheme: A high-frequency Analysis"

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.

Departmental Seminar

Dorothea Kübler

"Centralized University Admissions in Germany: Empirical and Experimental Evidence"

We investigate the matching algorithm used by the German central clearinghouse for university admissions in medicine and related subjects. It is shown that a procedure designed to give an advantage to students with excellent school grades actually harms them. The reason is that the clearinghouse employs a complicated mechanism in which many students fail to grasp the strategic aspects involved. The mechanism is based on quotas and consists of three procedures that are administered sequentially, one for each quota. Using the complete data set of the central clearinghouse, we show that the matching can be improved for around 20% of the excellent students while making a relatively small percentage of all other students worse off. With the help of experiments, we identify the reasons for the bad performance of the top-grade students. In addition, we show that an alternative mechanism that is based on the deferred acceptance algorithm with quotas outperforms the current mechanism in terms of matches of excellent students and efficiency.

Departmental Workshop

Daniel Rittler

"Price Discovery and Volatility Spillovers in the European Union Emissions Trading Scheme: A high-frequency Analysis"

This paper models the relationship of European Union Allowance spot- and futures-prices within the second commitment period of the European Union Emissions Trading Scheme. Based on high-frequency data, we analyze the transmission of information in first and second conditional moments. To reveal long-run price discovery, we compute common factor weights as proposed by Schwarz and Szakmary (1994) and information shares as proposed by Hasbrouck (1995) based on estimated coefficients of a VECM. To analyze the short-run dynamics Granger-causality tests are performed. We identify the futures market to be the leader of the long-run price discovery process whereby the informational role of the futures market increases over time. In addition, a version of the UECCC-GARCH model as introduced by Conrad and Karanasos (2010) is employed to analyze the volatility transmission structure. The volatility analysis indicates a close relationship between the volatility dynamics of both markets, whereas in particular spillovers from the futures to the spot market are observed. As a whole the investigation reveals that information is incorporated in the futures market first and then transferred to the spot market.

Talks and Research Visits

Johannes Diederich presented the paper "Willingness to Pay for Individual Climate Change Mitigation: A Large Field Experiment for Germany" (joint with Timo Goeschl) at the 18th annual conference of the European Association of Environmental and Resource Economists (EAERE) in Rome, June 29 - July 2.

Daniel Heyen presented the paper "Long-term environmental problems and strategic intergenerational transfers" (joint with Timo Goeschl) at the 18th annual conference of the European Association of Environmental and Resource Economists (EAERE) in Rome, June 29 - July 2.

Hans Diefenbacher presented a paper on "Die Rolle von Monitoringsystemen und Messverfahren in einem nachhaltigen Wohlfahrtskonzept" in a workshop in the Free University Berlin on "Eckpunkte eines ökologisch tragfähigen Wohlfahrtskonzepts als Grundlage für umweltpolitische Innovations- und Transformationsprozesse", June 21.

Hans Diefenbacher has given a talk on "Wohlstandsindikator Bruttoinlandsprodukt – Welche Alternativen gibt es?" during the 11th annual conference of the German Rat für Nachhaltige Entwicklung, Berlin, June 20.

Miscellaneous

The research of Hans Diefenbacher on welfare indicators was presented by Frédéric Lemaître in Le Monde, 21.6.2011: "Un pays plus riche ... et moins prospère", http://www.lemonde.fr/europe/article/2011/06/20/un-pays-plus-riche-et-moins-prospere_1538357_3214.html

New and leaving staff

Audrey Hu, PhD, has taken up a postdoc position at the AWI starting from 1 July. Prior to her employment here, Audrey was a postdoc researcher at Tilburg University sponsored by the Netherlands Organisation for Scientific Research (NWO) via a Rubicon Grant. She has been doing research mainly in the field of auction theory, emphasizing the roles of the participants' risk preferences, the possibility of bidder collusion and the optimal reserve prices. She intends to conduct both theoretical and experimental studies of the topics along these lines during her stay at AWI.



**Editorial deadline for issue 19/2011 of the newsletter:
Wednesday, July 13, 2011, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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