

# 2010 MWIEG SPRING MEETING

## Midwest Economic Theory

May 14<sup>th</sup> – 16<sup>th</sup>

Kellogg School of Management  
Northwestern University

Local Organizers:

**Alp Atakan, Mehmet Ekmekci, Nabil Al-Najjar**

Series Organizers:

**Ray Riezman, Alp Atakan, Mehmet Ekmekci**

THEORY



**Friday, May 14<sup>th</sup>**

Jacobs Center	
1:30PM-4:00PM	Registration
3:00PM-4:30PM	G42, G43 Speakers: G42 – Simon Board, Gabor Virag, Ron Lavi G43 – Charles Zheng, Lucas Maestri, Yi Zhang
4:30PM-4:45PM	Coffee break
4:45PM-6:15PM	G42, G43 Speakers: G42 – Ricardo Serrano-Padial, Arkadi Predtetchinski, Selcuk Ozyurt G43 – Jianjun Wu, Frances Xu, Rene Saran

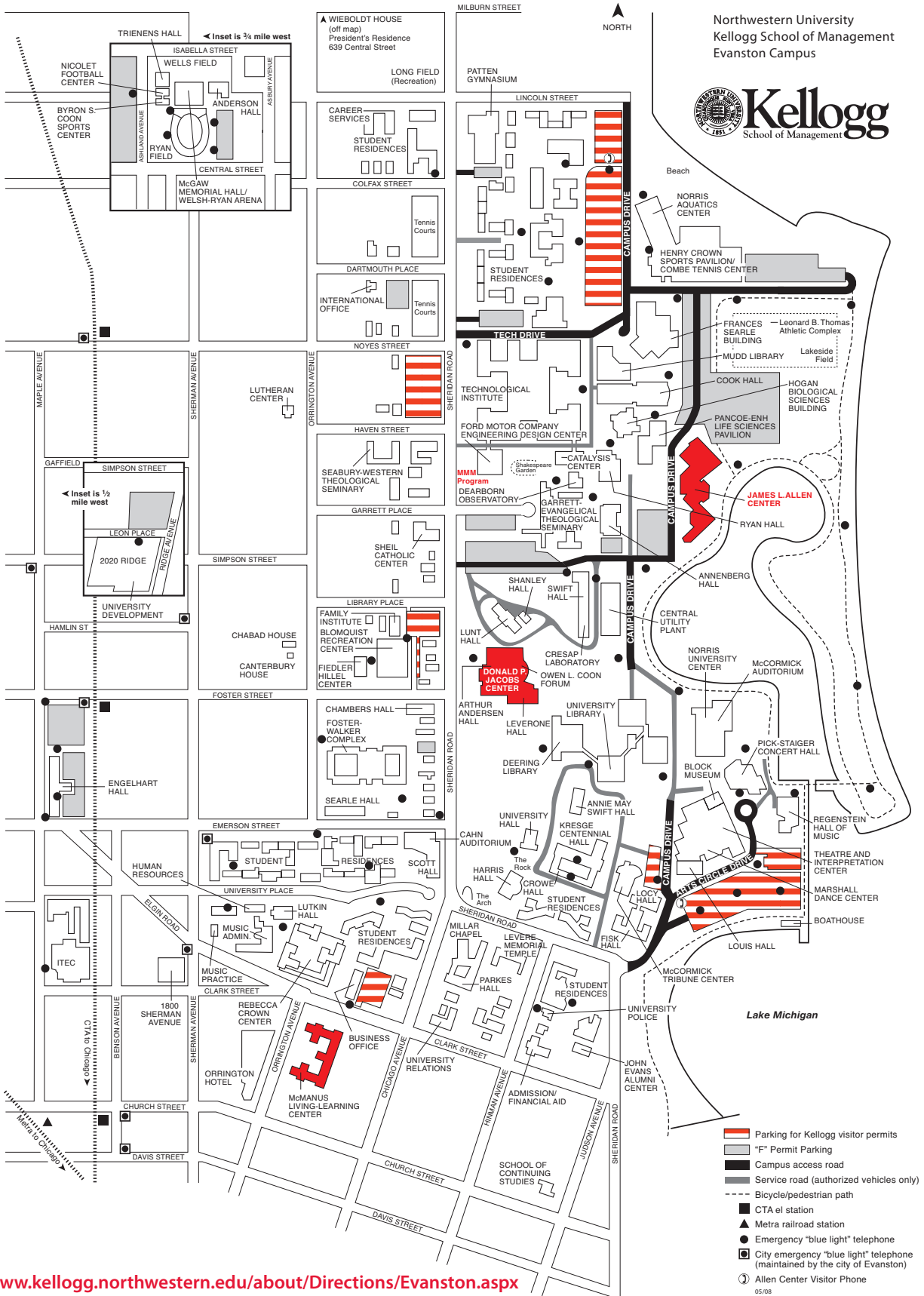
**Saturday, May 15<sup>th</sup>**

Allen Center	
9:00AM-10:30AM	140, 153 Speakers: 140 – Daniel Garrett, Sidartha Gordon, Jan Zabochnik 153 – Martin Meier, Jianjun Miao, Andreas Hefti
10:30AM-10:45AM	Coffee break
10:45AM-12:15PM	140, 153 Speakers: 140 – Othon Moreno Gonzalez, Svetlana Boyarchenko, Madhav Chandrasekher 153 – John Smith, Marco Ottaviani, Andrew Newman
12:15PM-1:15PM	Lunch at the Allen Center
1:30PM-3:00PM	140, 153 Speakers: 140 – David Rahman, Jun Zhang, Itai Sher 153 – Cagatay Kayi, Alison Watts, S. Nageeb Ali
3:00PM-3:15PM	Coffee break
3:15PM-4:45PM	140, 153 Speakers: 140 – Jinhui Bai, Yusuf Izmirlioglu, Antoine Loeper 153 – Daniele Condorelli, Drew Fudenberg, Jin Li
4:45PM-5:00PM	Coffee break
5:00PM-6:30PM	140, 153 Speakers: 140 – Yi-Chun Chen, Nicolas Klein, Brian Rogers 153 – Ronald Wolthoff, Sergey Popov, Kyungmin Kim
6:00PM-8:00PM	Cocktail Reception at the Allen Center

**Sunday, May 16<sup>th</sup>**

Allen Center	
9:30AM-11:00AM	140, 153 Speakers: 140 – Thomas Gall, Daniela Puzzello, Santanu Roy 153 – Timo Ehrig, Isa Hafalir, Laurent Mathevet
11:00AM-11:15AM	Coffee break
11:15AM-12:45PM	140, 153 Speakers: 140 – Iryna Topolyan, Subir Chakrabarti, Tarun Sabarwal 153 – Yaron Azrieli, Burkhard Schipper, Willemien Kets
12:30-1:30PM	Lunch at the Allen Center



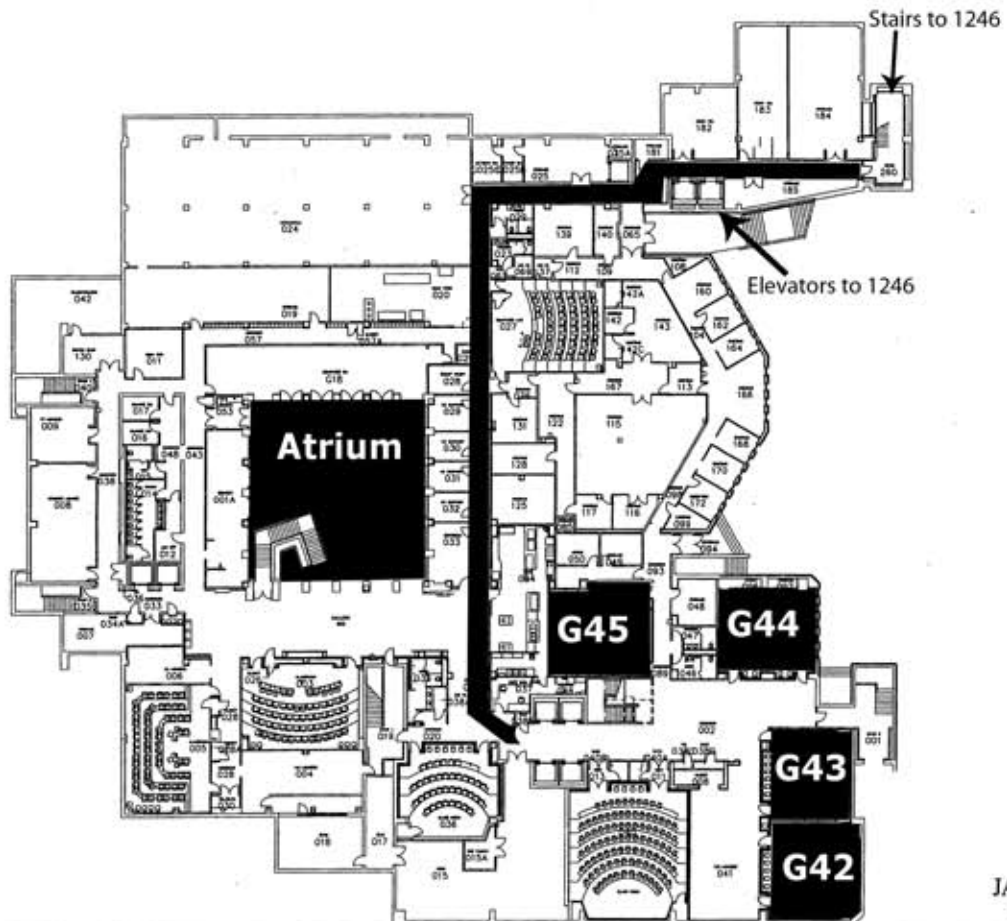
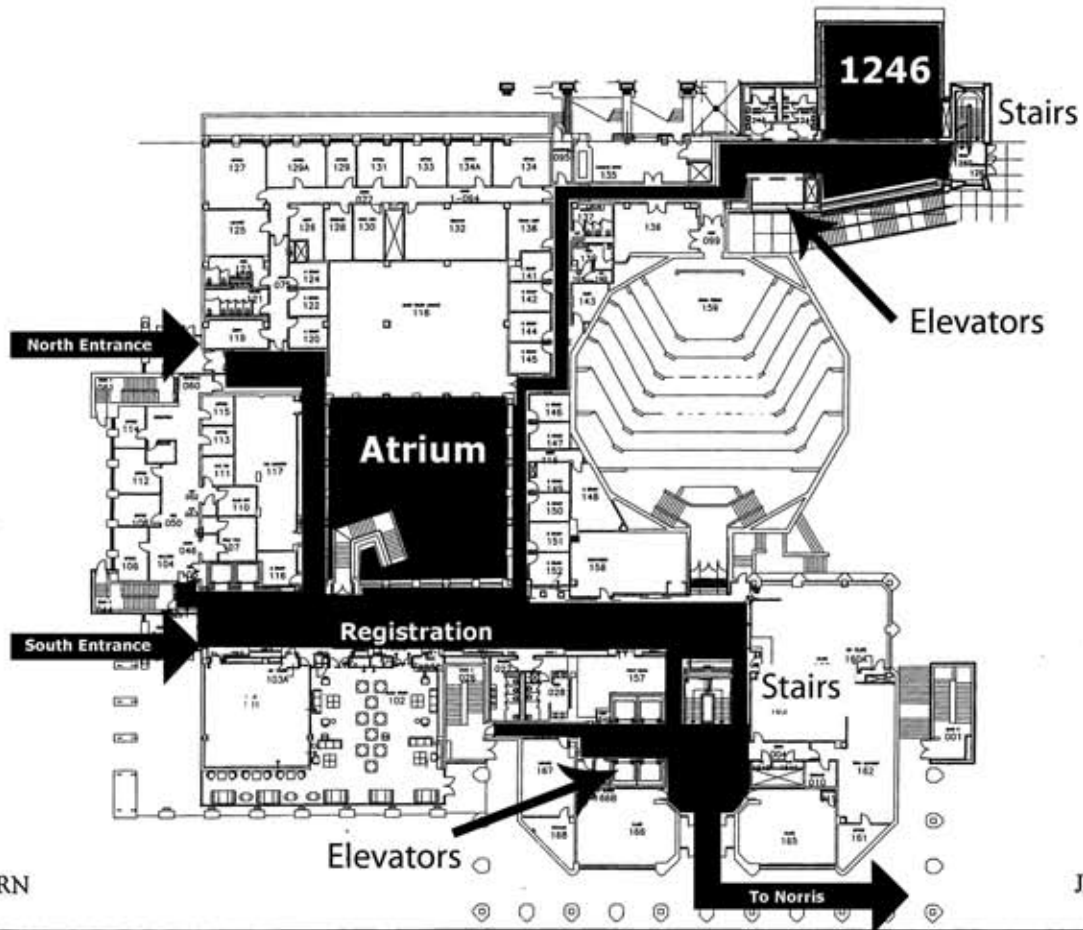


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Friday, May 14th

	<p><b>Session 1: Auctions</b> - Session Chair: Simon Board, UCLA</p>
<p>-----15:00 – 16:30-----</p>	<p><b>G42</b> - Jacobs Center</p> <p>Optimal Dynamic Auctions for Durable Goods Presented by: Simon Board, UCLA</p> <p>First-price auctions with resale: the case of many bidders Presented by: Gabor Virag, University of Rochester</p> <p>Efficiency Levels in Sequential Auctions with Dynamic Arrivals Presented by: Ron Lavi, The Technion - Israel Institute of Technology</p>
	<p><b>Session 2: Contract Theory 1</b> - Session Chair: Charles Zheng, Iowa State University</p>
	<p><b>G43</b> - Jacobs Center</p> <p>A Coase Theorem Based on a New Concept of the Core Presented by: Charles Zheng, Iowa State University</p> <p>Dynamic Monopoly and Renegotiation Presented by: Lucas Maestri, Yale University</p> <p>Sequential Investment, Hold-up, and Ownership Structure Presented by: Yi Zhang, Singapore Management University</p>
<p>-----16:45 – 18:15-----</p>	<p><b>Session 3: Bargaining</b> — Session Chair: Selcuk Ozyurt, New York University</p>
	<p><b>G42</b> - Jacobs Center</p> <p>Information Acquisition and Efficient Bargaining Presented by: Ricardo Serrano-Padial, University of Wisconsin-Madison</p> <p>One-dimensional bargaining Presented by: Arkadi Predtetchinski, Maastricht University</p> <p>Searching a Bargain: Play it Cool or Haggle Presented by: Selcuk Ozyurt, New York University</p>
	<p><b>Session 4: Contract Theory 2</b> - Session Chair: Jianjun Wu, University of Arizona</p>
	<p><b>G43</b> - Jacobs Center</p> <p>Breaking up a Research Consortium Presented by: Jianjun Wu, University of Arizona</p> <p>Commission Sharing among Agents Presented by: Frances Xu, University of Hong Kong</p> <p>The Maximal Domain for the Revelation Principle when Preferences are Menu Dependent Presented by: Rene Saran, Maastricht University</p>

Saturday, May 15th

9:00 – 10:30	<b>140</b> - Allen Center	<p><b>Session 5: Contract Theory 3</b> - Session Chair: Sidartha Gordon,</p> <p>Managerial Turnover Presented by: Daniel Garrett, Northwestern University</p> <p>Optimal R&amp;D Project Selection Mechanisms Presented by: Sidartha Gordon, Department of Economics</p> <p>Subjective Evaluations with Performance Feedback Presented by: Jan Zabojnik, Queen's University</p>
	<b>153</b> - Allen Center	<p><b>Session 6: Decision Theory 1</b> - Session Chair: Martin Meier, Institut für Höhere Studien</p> <p>Dynamic Unawareness and Rationalizable Behavior Presented by: Martin Meier, Institut für Höhere Studien</p> <p>Intertemporal Substitution and Recursive Smooth Ambiguity Preferences Presented by: Jianjun Miao, Boston University</p> <p>Attention competition: a basic assessment Presented by: Andreas Hefti, University of Zurich</p>

10:45 – 12:15	<b>140</b> - Allen Center	<p><b>Session 7: Decision Theory 2</b> — Session Chair: Madhav Chandrasekher, Arizona State University</p> <p>Consumption of Durable Goods Under Ambiguity: A Real Options Approach Presented by: Othon Moreno Gonzalez, The University of Texas at Austin</p> <p>Discounting when Income is Stochastic and Discounted Utility Anomalies Presented by: Svetlana Boyarchenko, University of Texas-Austin</p> <p>Incomplete Menu Preferences and Ambiguity Presented by: Madhav Chandrasekher, Arizona State University</p>
	<b>153</b> - Allen Center	<p><b>Session 8: Information Economics</b> - Session Chair: Marco Ottaviani, Northwestern University</p> <p>Not So Cheap Talk: A Model of Advice with Communication Costs Presented by: John Smith, Rutgers University-Camden</p> <p>State-Contingent Pricing with Private Information: Adverse Selection across Market Structures Presented by: Marco Ottaviani, Northwestern University</p> <p>Loopholes: Social Learning and the Evolution of Contract Form Presented by: Andrew Newman, Boston University, CEPR</p>



Saturday, May 15th (cont'd)

	<b>Session 9: Mechanism Design</b> - Itai Sher, University of Minnesota	
13:30 – 15:00	140 - Allen Center	Dynamic Implementation Presented by: David Rahman, University of Minnesota
		Optimal Mechanism Design with Speculation and Resale Presented by: Jun Zhang, Queen's University
		Optimal Selling Mechanisms on Incentive Graphs Presented by: Itai Sher, University of Minnesota
	<b>Session 10: Networks</b> - Session Chair: S. Nageeb Ali, UC-San Diego	
15:30 – 16:45	153 - Allen Center	Allocation Rules on Networks Presented by: Cagatay Kayi, Maastricht University
		Fund-Raising Games Played on a Network Presented by: Alison Watts, Southern Illinois University
		Enforcing Cooperation in Networked Societies Presented by: S. Nageeb Ali, UC-San Diego

	<b>Session 11: Political Economics</b> - Session Chair: Antoine Loeper, Northwestern University	
15:15 – 16:45	140 - Allen Center	Revealed Political Power Presented by: Jinhui Bai, Georgetown University
		Voting and Information Aggregation in Unicameral Parliamentary and Semi-Presidential Democracies Presented by: Yusuf Izmirliglu, University of Pittsburgh
		Group Formation, Free Mobility and Social Optimality Presented by: Antoine Loeper, Kellogg School of Management
	<b>Session 12: Repeated and Dynamic Games 1</b> - Session Chair: Drew Fudenberg, Harvard University	
15:15 – 16:45	153 - Allen Center	Dynamic Bilateral Trading in Networks Presented by: Daniele Condorelli, University College London
		The Folk Theorem for Stochastic Games Presented by: Drew Fudenberg, Harvard University
		Information Revelation in Relational Contracts Presented by: Jin Li, Kellogg School of Management

Saturday, May 15th (cont'd)

	<p><b>Session 13: Repeated and Dynamic Games 2</b> - Brian Rogers, Northwestern University, Kellogg</p>
<p>17:00 – 18:30</p>	<p><b>140 - Allen Center</b></p> <p>A structure theorem for rationalizability in dynamic games Presented by: Yi-Chun Chen, National University of Singapore</p> <p>Expert Experimentation Presented by: Nicolas Klein, University of Munich</p> <p>The obvious way to play repeated Battle-of-the-Sexes games: Theory and Evidence Presented by: Brian Rogers, Northwestern University, Kellogg</p>
<p>17:00 – 18:30</p>	<p><b>Session 14: Search and Matching 1</b> - Session Chair: Ronald Wolthoff, University of Chicago</p>
	<p><b>153 - Allen Center</b></p> <p>Applications and Interviews A Structural Analysis of Two-Sided Simultaneous Search Presented by: Ronald Wolthoff, University of Chicago</p> <p>Fraternities and Labor Market Outcomes Presented by: Sergey Popov, UIUC</p> <p>A Theory of Partially Directed Search with Interdependent Values Presented by: Kyungmin Kim, Hong Kong University of Science and Tech</p>

Sunday, May 16th

	<b>Session 15: Search and Matching 2-</b> Thomas Gall, University of Bonn	
9:30 – 11:00	<b>140</b> - Allen Center	Segregation, Affirmative Action, and Investment Presented by: Thomas Gall, University of Bonn
		The informational role of prices and the essentiality of money in the Lagos-Wright model Presented by: Daniela Puzzello, University of Illinois at Urbana-Champaign
		Sustained Positive Consumption in a Model of Stochastic Growth: The Role of Risk Aversion Presented by: Santanu Roy, Southern Methodist University
	<b>Session 16: Topics Game Theory 1</b> - Session Chair: Laurent Mathevet, University of Texas - Austin	
153	- Allen Center	Strategic Rational Expectations - Towards A Theory Of The Coordination of Expectations Presented by: Timo Ehrig, Max-Planck-Institute for Math. i.t.S.
		Selling Goods of Unknown Quality: Forward versus Spot Auctions Presented by: Isa E. Hafalir, Tepper School of Business, Carnegie Mellon University
		Sentiments and Rationalizability Presented by: Laurent Mathevet, University of Texas at Austin

	<b>Session 17: Topics Game Theory 2</b> - Subir Chakrabarti, IUPUI	
11:15 – 12:45	<b>140</b> - Allen Center	Existence of perfect equilibria: a direct proof Presented by: Iryna Topolyan, Purdue University Krannert School of Management
		A Direct Proof of the Existence of Sequential Equilibrium and a Backward Induction Characterization Presented by: Subir Chakrabarti, Indiana Univeristy Purdue University Indianapolis (IUPUI)
		Rationalizability, Adaptive Dynamics, and the Correspondence Principle in Games with Strategic Substitutes Presented by: Tarun Sabarwal, University of Kansas
	<b>Session 18: Topics Game Theory 3</b> - Yaron Azrieli, Ohio State University	
153	- Allen Center	An axiomatic foundation for multidimensional spatial models of elections with a valence dimension Presented by: Yaron Azrieli, Ohio State University
		Unbeatable Imitation Presented by: Burkhard Schipper, University of California, Davis
		Do You Think About What I Think you Think? Finite Belief Hierarchies in Games Presented by: Willemien Kets, Santa Fe Institute, Tilburg University