



universität
wien

Department of Economics
Contact: Sandra Weißenböck
☎+43-1-4277-37402
sandra.weissenboeck@univie.ac.at



INSTITUT FÜR HÖHERE STUDIEN
INSTITUTE FOR ADVANCED STUDIES
Vienna

Department of Economics and Finance
Contact: Marion Kelemen
☎+43-1-59991-145
economics@ihs.ac.at

WIRTSCHAFTSTHEORETISCHES FORSCHUNGSSEMINAR

RESEARCH SEMINAR IN ECONOMIC THEORY

October 23rd 2008

Hörsaal II
Institut für Höhere Studien
Stumpergasse 56, 1060 Wien

4:00pm

João CORREIA DA SILVA,
University of Porto:

“Uncertain delivery and the market for lemons?”
Abstract printed on the next page

5:30pm

Kartik ATHREYA,
Federal Reserve Bank of Richmond:

“A Quantitative Theory of Information and Unsecured Credit”
Abstract printed on the next page

./2

DOWNLOAD SITE FOR PAPERS (IF AVAILABLE) AND SEMINAR SCHEDULE

[HTTP://WWW.UNIVIE.AC.AT/VWL/ECONOMICTHEORY.HTML](http://www.univie.ac.at/vwl/ECONOMICTHEORY.HTML)

NOTE: Participation of advanced students in this seminar is highly recommended.



universität
wien

Department of Economics
Contact: Sandra Weißenböck
☎+43-1-4277-37402
sandra.weissenboeck@univie.ac.at



INSTITUT FÜR HÖHERE STUDIEN
INSTITUTE FOR ADVANCED STUDIES
Vienna

Department of Economics and Finance
Contact: Marion Kelemen
☎+43-1-59991-145
economics@ihs.ac.at

ABSTRACTS

João CORREIA DA SILVA,
University of Porto:

“Uncertain delivery and the market for lemons?”

The notion of uncertain delivery is extended to study exchange economies in which agents have different abilities to distinguish between goods (for example a car in good condition versus a car in bad condition). Existence of equilibrium is established. Several examples are presented as an illustration.

Kartik ATHREYA,
Federal Reserve Bank of Richmond:

”A Quantitative Theory of Information and Unsecured Credit”

Over the past three decades five striking features of aggregates in the unsecured credit market have been documented: (1) rising availability of credit along both the intensive and extensive margins, (2) rising debt accumulation, (3) rising bankruptcy rates and discharge in bankruptcy, (4) rising dispersion in interest rates across households, and (5) the emergence of a discount for borrowers with good credit ratings. We show that all five outcomes are quantitatively consistent with improvements in the ability of lenders to observe borrower characteristics. Part of our contribution is the development of an algorithm for computing equilibria with asymmetric information and individualized pricing. From a welfare perspective, our main finding is that more information is better *ex ante*, even though better information can rule out pooling outcomes that some groups might find beneficial *ex post*.

with Xuan S. Tam (University of Virginia) and Eric. R. Young (University of Virginia).

DOWNLOAD SITE FOR PAPERS (IF AVAILABLE) AND SEMINAR SCHEDULE

[HTTP://WWW.UNIVIE.AC.AT/VWL/ECONOMICTHEORY.HTML](http://www.univie.ac.at/vwl/ECONOMICTHEORY.HTML)

NOTE: Participation of advanced students in this seminar is highly recommended.
