



WIRTSCHAFTSTHEORETISCHES FORSCHUNGSSEMINAR

RESEARCH SEMINAR IN ECONOMIC THEORY

December 18, 2008

Hörsaal II

Institut für Höhere Studien

Stumpergasse 56, 1060 Wien

4:00pm

Benny Moldovanu,

University of Bonn:

“The Theory of Assortative Matching Based on Costly Signals”

Abstract printed on the next page

5:30pm

Uwe Dulleck,

Queensland University of Technology:

*“The Experimental Economics of Credence Goods:
On the role of liability, verifiability, competition and reputation”*

Abstract printed on the next page

. /2

DOWNLOAD SITE FOR PAPERS (IF AVAILABLE) AND SEMINAR SCHEDULE

<http://www.univie.ac.at/vwl/EconomicTheory.html>

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



Abstracts

Benny Moldovanu,

University of Bonn:

“The Theory of Assortative Matching Based on Costly Signals”

We study two-sided markets with a finite numbers of agents on each side, and with two-sided incomplete information. Agents are matched assortatively on the basis of costly signals. Asymmetries in signaling activity between the two sides of the market can be explained either by asymmetries in size or in heterogeneity. Our main results identify general conditions under which the potential increase in expected output due to assortative matching (relative to random matching) is offset by the costs of signaling. Finally, we look at the limit model with a continuum of agents, and point out differences and similarities to the finite version. Technically, the paper is based on the elegant theory about stochastic order relations among differences of order statistics, pioneered by R. Barlow and F. Proschan (1966) in the framework of reliability theory.

with. Heidrun C. Hoppe (University of Hannover) and Aner Sela (Ben Gurion University).

Uwe Dulleck,

Queensland University of Technology:

“The Experimental Economics of Credence Goods: On the role of liability, verifiability, competition and reputation”

TBA