

**The Ohio State University**  
**Colleges of the Arts and Sciences Course Change Request**

Department of Economics

Academic Unit

Economics

970

Book 3 Listing (e.g., Portuguese)

Course Number

Summer      Autumn      Winter      Spring  Year 2009

**Proposed effective date:** choose one quarter and put an "X" after it; and fill in the year. See the OAA curriculum manual for deadlines.

**A. Course Offerings Bulletin Information.** Follow instructions in the OAA curriculum manual. Before you fill out the "Present Course" information, be sure to check the latest edition of the *Course Offerings Bulletin* and subsequent Circulating Forms. You may find that the changes you need have already been made or that additional changes are needed. If the course offered is less than quarter or term, please also complete the Flexibly Scheduled/OffCampus/Workshop Request form.

**COMPLETE ALL ITEMS THIS COLUMN**

**Present Course**

1. Book 3 Listing: Seminar In Structure and Regulation of Industry
2. Number: 970
3. Full Title: Seminar in Structure and Regulation of Industry
4. 18-Char. Transcript Title: SEM-STRUCT REG IND
5. Level and Credit Hours G-5
6. Description: Economic bases for government participation in business activities: antitrust, regulation and collective decision making.  
(25 words or less)
7. Qtrs. Offered : AU, SP
8. Distribution of Contact Time: 1-3hr cl  
(e.g., 3 cl, 1 3-hr lab)
9. Prerequisite(s): ECON872
10. Exclusion:  
(Not open to....)
11. Repeatable to a maximum of 30 credits.
12. Off-Campus Field Experience: NO
13. Cross-listed with: NO
14. Is this a GEC course? NO
15. Grade option (circle):  Ltr    S/U    P  
If P graded, what is the last course in the series?
16. a) Is an honors version of this course available? Y  N
- b) Is an Embedded Honors version of this course available?  
     Y  N
- c) Is this a Service Learning Course: Y  N
17. Other general course information:

**COMPLETE ONLY THOSE ITEMS THAT CHANGE**

**Changes Requested**


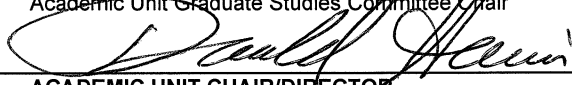
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- b) \_\_\_\_\_
- c) \_\_\_\_\_
17. \_\_\_\_\_

**B. General Information**

1. Do you want the prerequisites enforced electronically (see the OAA manual for what can be enforced)?  
\_\_\_\_\_
2. Does this course currently satisfy any GEC requirement? if so indicate which category.  
\_\_\_\_\_
3. What other units require this course? Have these changes been discussed with those units?  
\_\_\_\_\_
4. Have these changes been discussed with academic units that might have a jurisdictional interest in the subject matter? Attach relevant letters.  
\_\_\_\_\_
5. Is the request contingent upon other requests? if so list the requests.  
\_\_\_\_\_
6. **Purpose of the proposed change. (If the proposed change affects the content of the course, attach a revised syllabus and course objectives and e-mail to [asccurrofc@osu.edu](mailto:asccurrofc@osu.edu).)**  
Depending on the stages of Ph.D. students, appropriate scope and gains from the seminar vary. For example, post-candidate and pre-candidate Ph.D. students differ in their use and need of pro-seminars and workshops. Variable credit hours will accommodate and optimize the students stages and course value.  
\_\_\_\_\_
7. Please list Majors/Minors affected by the proposed change. Attach revisions of all affected programs. This course is (check one):  
 Required on major(s)/minor(s)       A choice on major(s)/minors(s)  
 An elective within major(s)/minor(s)       A general elective:  
\_\_\_\_\_
8. Describe any changes in library, equipment or other teaching aids needed as a result of the proposed change. If the proposed change involves budgetary adjustments, describe the method of funding:  
\_\_\_\_\_

CONTACT PERSON: Ana Shook      EMAIL: [shook.45@osu.edu](mailto:shook.45@osu.edu)      PHONE: 292-2253

**Approval Process** The signatures on the lines in ALL CAPS ( e.g. ACADEMIC UNIT) are required.

- |   |                 |          |
|---|-----------------|----------|
| 1. Academic Unit Undergraduate Studies Committee Chair  | Printed Name    | Date     |
|    | Hajime Miyazaki | 10/21/08 |
| 2. Academic Unit Graduate Studies Committee Chair   | Printed Name    | Date     |
|    | Donald Haurin   | 10/24/08 |
| 3. <b>ACADEMIC UNIT CHAIR/DIRECTOR</b>  | Printed Name    | Date     |
| 4. <b>After the Academic Unit Chair/Director signs the request, forward the form to the ASC Curriculum Office, 4132 Smith Lab, 174 West 18<sup>th</sup> Ave. or fax it to 688-5678. Attach the syllabus and any supporting documentation in an e-mail to <a href="mailto:asccurrofc@osu.edu">asccurrofc@osu.edu</a>. The ASC Curriculum Office will forward the request to the appropriate committee.</b> |                 |          |
| 5. <b>COLLEGE CURRICULUM COMMITTEE</b>  | Printed Name    | Date     |
| 6. <b>ARTS AND SCIENCES EXECUTIVE DEAN</b>  | Printed Name    | Date     |
| 7. Graduate School (if appropriate)   | Printed Name    | Date     |
| 8. University Honors Center (if appropriate)  | Printed Name    | Date     |
| 9. Office of International Affairs (study tours only)   | Printed Name    | Date     |
| 10. <b>ACADEMIC AFFAIRS</b>   | Printed Name    | Date     |

Economics 970, Applied Micro-Theory Seminar: Spring Quarter 2007

## Auctions: Theory, Experiments and Field Data

J. H. Kagel and D. Levin, Instructors

(5 credit hours: meeting time Fridays 9:30am-1:00pm, Room 386 Arps)

OFFICE HOURS: Kagel – T, Th 3:15-4:30 and by appointment; Levin, by appointment

Auctions are of growing importance in both economic theory and practice. This course is designed to provide a comprehensive review of modern auction theory and empirics (both experimental and field data). We will cover both private value and common value auction work beginning with single unit auctions and ending with recent work on multiple-unit demand auctions. Note that this is essentially the only graduate class in the department regularly devoted to experimental work (and auction).

Students will be expected to keep up with the readings on a weekly basis. For each week's readings we will expect you to comment on one of the articles as to: What is the main point/contribution of the article as *you* see it. What kind of extensions/additional issues does the article raise? That is, what pertinent questions are left unanswered? What questions do you have/did not understand from the article. These reports do not have to be overly long. They will form the basis for classroom discussion. You will send these to Kagel ([kagel.4@osu.edu](mailto:kagel.4@osu.edu)) and Levin ([levin.36@osu.edu](mailto:levin.36@osu.edu)) by Wed at 5:00pm. We will collate the material and ship it back to you by Thursday of that week.

In addition, students will be expected to provide a short (5+ pages) research prospectus and to review at least one journal article relevant to their research prospectus. The research prospectus will (i) specify a research question related to auctions (these can deal with theory, experiments or field data) and (ii) outline a solution to the problem or steps to a solution. The motivation is to provide a beginning to a research paper. (In practice we have been very liberal regarding the research topic and will consider allowing topics even if not directly related to auctions.)

### References:

Vijay Krishna, Auction Theory, Academic Press (2002).

Milgrom, Paul, Putting Auction Theory to Work, Cambridge University Press (2004)

Klemperer, Paul, Auctions: Theory and Practice, Princeton University Press (2004). (Most of this is available on line.)

### Surveys:

Kagel, J. H. 1995. "Auctions: A Survey of Experimental Research," in The Handbook of Experimental Economics, J. H. Kagel and A. E. Roth (eds). Princeton: Princeton University Press.

Kagel, J. H. and Levin, D. , 2002. "Bidding in Common Value Auctions: A Survey of Experimental Research," in Common-Value Auctions and the Winner's Curse, Princeton Un. Press.

McAfee, R.P., and J. McMillan. 1987. "Auctions and Bidding," Journal of Economic Literature, 25:699-738.

Wilson, R. 1992. "Strategic Analysis of Auctions," in R.J. Aumann and S. Hart, Handbook of Game Theory with Economic Applications, Vol. 1. Amsterdam: Elsevier Science Publishers.

**Other classic (general) references not cited above:**

Milgrom, P., and R.J. Weber. 1982. "A Theory of Auctions and Competitive Bidding," Econometrica, 50:1485-527.

Vickrey, William. 1961. "Counterspeculation, Auctions, and Competitive Sealed Tenders," Journal of Finance, 16: 8-37.

**Topics/Tentative Schedule:**

Note, certain topics should be covered in any graduate auction class namely single unit private and common value auctions. We do this here and then move on from that to cover additional topics some of which remain unspecified at this time. We are charged with writing an updated survey on auctions for the soon to be published (but don't hold your breath for it) Handbook of Experimental Economics: Vol 2. We will devote the remaining time in the quarter to covering several of the papers (and topics) we plan to include in the updated survey. The last one to one and a half classes will be devoted to student presentations. **We note by \* primary readings. Other readings are optional/supplemental.**

**Topics:**

**I March 30, 2007 Introduction/Private Value Auctions**

Meyerson, R. 1981, "Optimal auction design." Mathematics of Operations Research, 6, 58-73.

Riley, J. and Samuelson, W. F. 1981, "Optimal Auctions," American Economic Review, 71:381-92.

(Read *one of these two* as well as the following.)

\*Bulow, J. and Roberts, J. 1989. "The simple economics of optimal auctions." Journal of Political Economy, 97, 1060-90.

This session will begin in the economics lab, 318 Arps Hall

**II April 6, 2007 Behavior in Private Value Auctions**

Kagel, J. H. and Levin, D. 1993, "Independent private value auctions: Bidder behavior in first-, second-, and third-price auctions with varying numbers of bidders," Economic Journal, 103: 868-79.

\*Kagel, J. H. 1995. "Auctions: A Survey of Experimental Research," in The Handbook of Experimental Economics, J. H. Kagel and A. E. Roth (eds). Princeton: Princeton University Press. Part I sections A-C.

### III April 13, 2007 Common Value Auctions

\*Wilson, R. 1977. "A Bidding Model of Perfect Competition," Review of Economic Studies, 44: 511-18.

Klemperer, P. 1998, "Auctions with almost common values: the 'wallet game' and its applications," European Economic Review 42, 757-69.

Levin, Dan and Kagel, John H., 2005, "Almost Common-Value auctions revisited," European Economic Review, Vol. 49, No. xx, pp 1125-1136.

This session will also start in the lab, 318 Arps Hall.

### IV April 20, 2007 Behavior in Common Value Auctions

\*Kagel, J. H. and Levin, D. 2002 "Bidding in Common Value Auctions: A Survey of Experimental Research," in Common-Value Auctions and the Winner's Curse, Princeton University Press, Princeton, NJ. (Introduction, parts A, B1-B4, C.1)

\*Kagel, J. H. and D. Levin. 1986. "The Winner's Curse and Public Information in Common Value Auctions," American Economic Review, 76:894-920.

Holt, C.A., Jr. and Sherman, R., 1994, "The loser's curse and bidder's bias. American Economic Review, Vol. 84, pp.642-52.

Goeree, Jacob K. and Offerman, Theo, 2002, "Efficiency in Auctions with Private and Common Values: An Experimental Study," American Economic Review, Vol. 92, No. 3, pp. 625-43.

Levin, D., J. H. Kagel and J. F. Richard. 1996. "Revenue Effects and Information Processing in English Common Value Auctions" American Economic Review, 86:442-460.

Avery, C. and Kagel, J.H., 1997, "Second-price auctions with asymmetric payoffs: an experimental investigation" Journal of Economics and Management Strategy Vol. 46, pp. 573-604.

Rose, S. L. and Kagel, J.H., 2005, "Bidding in almost common value auctions: an experiment," Mimeo, Ohio State University.

Rose, Susan and Levin, Dan, 2006, "An Experimental Investigation of the Explosive Effect in Almost Common Value Auctions," WP OSU. (R&R in Journal of Economic Behavior

and Organization.)

**V April 27, 2007 Endogenous Entry and When and Why not to Auction**

\*Levin, D. and Smith, J. 1994. "Equilibrium auctions with entry." American Economic Review, 84, 585-99.

\*\_\_\_\_\_ and \_\_\_\_\_, 2001. "Entry coordination in auctions and social welfare: An experimental investigation." International Journal of Game Theory, 30, 321-50.

Cox, James, Dinkin, Sam and Swarthout, James, 2001, "Endogenous Entry and Exit in Common Value Auctions," Experimental Economics, Vol. 4, pp. 163-81.

Campbell and Levin, 2006, "When and why not to auction," Economic Theory, 27, 583-596.

**VI May 4, 2007 Multi-unit Demand Auctions**

\*Dasgupta, Partha and Maskin Eric S., 2000, "Efficient Allocations," Quarterly Journal of Economics, Vol. 115, No. 2, pp. 341-88.

\*Kagel and Levin (2001), "Behavior in multi-unit demand auctions: experiments with uniform price and dynamic Vickrey auctions," Econometrica, pp 413-454.

Kagel and Levin (2006) "Comparing Efficient Multi-Object Auction Institutions," WP on Kagel's website

Cramton, Peter, 2004, "Simultaneous ascending auctions," available on his web site.

Cramton and Schwartz, 2002, "Collusive bidding in the FCC spectrum auctions" Contributions to economic analysis and policy (see Cramton's web site for a copy to download).

**VII May 4, 2007 Package/Combinatorial/Synergies**

**Theory:** Efficiency vs. Abuse, Complexity; the Thresh-hold and the Exposure problems.

Cantillon Estelle and Pesendorfer Martin, "Combination Bidding in Multi-Unit Auctions" WP LSE 2006 Will be made available.

\*Milgrom, Paul "Package Auctions and Package Exchanges," Fishers-Schultz Lecture, European Econometric Society, 2004 (avail on his web site).

**Experimental and or empirical:**

\*Goree, J, Holt, C and Ledyard, J. "An Experimental Comparison of Combinatorial and Non-Combinatorial SMR Auctions," report prepared for the FCC. (available on Goree's web site).

Porter et al., 2003, "Combinatorial Auction Design,"  
[www.pnas.org/cgi/doi/10.1073/pnas.1633736100](http://www.pnas.org/cgi/doi/10.1073/pnas.1633736100) (another FCC report).

\*Chernomaz and Levin, 2007, "Efficiency and Synergy in a Multi-Unit Auction with and without Package Bidding: an Experimental Study." (will be available).

### VIII May 11, 2007 Auction and IO

**Theory:** Auctions with externalities. Auction where bidders care about other bidders and/or the market structure and competition after the auction. Auctions with Collusive bidding.

Das Varma, Gopal, 2002, "Standard Auctions with Identity-Dependent Externalities," RAND Journal of Economics, Vol. 33, No. 4, pp. 689-708.

\*Goree, Offerman and Sloof, "Demand reduction and preemptive bidding in multi-unit license auctions," 2006. Should be available from web site of Jacob Goree (Cal Tech HSS) or Theo Offerman.

\*Moldovanu, Benny, Jehiel Philippe and Stacchetti Ennio, 1996, "How (not) to Sell Nuclear Weapons," American Economic Review, 86(4), 814-829.

\*Offerman, T. and Potters, J., 2006, "Does Auctioning of Entry Licenses Induce Collusion? An Experimental Study," Review of Economic Studies, 73, 769-91. (available on Potters web site)

### IX May 18, 2007

Miscellaneous Plus 1-2 Presentations:

### X May 25, 2007

Miscellaneous Plus 3-4 Presentations:

Web sites for referenced authors – Econ 970, Spring 2007

Name	Affiliation	Web site
John H. Kagel	Department of Economics Ohio State	<a href="http://www.econ.ohio-state.edu/kagel/">www.econ.ohio-state.edu/kagel/</a>
Paul Klemperer	Economics Group Nuffield College Oxford University, UK	<a href="http://www.nuff.ox.ac.uk/economics/people/klemperer.htm">www.nuff.ox.ac.uk/economics/people/klemperer.htm</a>
Vijay Krishna	Department of Economics Penn State	<a href="http://econ.la.psu.edu/~vkrishna/index.html">http://econ.la.psu.edu/~vkrishna/index.html</a>
Alvin E. Roth	Department of Economics Harvard	<a href="http://www.economics.harvard.edu/~aroth/alroth.html">www.economics.harvard.edu/~aroth/alroth.html</a>
Journal Storage	The Scholarly Journal Archive	<a href="http://www.jstor.org">www.jstor.org</a>

Academic Misconduct: It is the responsibility of the Committee on Academic Misconduct to investigate or establish procedures for the investigation of all reported cases of student academic misconduct. The term “academic misconduct” includes all forms of student academic misconduct wherever committed; illustrated by, but not limited to, cases of plagiarism and dishonest practices in connection with examinations. Instructors shall report all instances of alleged academic misconduct to the committee (Faculty Rule 3335-5-487). For additional information, see the Code of Student Conduct: ([http://studentaffairs.osu.edu/resource\\_csc.asp](http://studentaffairs.osu.edu/resource_csc.asp))

**Disability Services: Students with disabilities that have been certified by the Office for Disability Services will be appropriately accommodated, and should inform the instructor as soon as possible of their needs. The Office for Disability Services is located in 150 Pomerene Hall, 1760 Neil Avenue; telephone 292-3307, TDD 292-0901; <http://www.ods.ohio-state.edu/>.**