TROBADA ECONOMIA: ALACANT, 28-29 de Maig 2015.
UNIVERSITAT ROVIRA i VIRGILI & UNIVERSITAT d'ALACANT

PROGRAMA PRELIMINAR:

DIJOUS 28 de Maig   **SALA ERNEST LLUCH** (1ª planta edifici Economia)

16:00   **SEBASTIÁN CANO-BERLANGA**. Universitat Rovira i Virgili
TÍTOL: "On completion of financial time series: a multiple imputation approach"

16:45   **MARCELLO SARTARELLI**. Universitat d'Alacant
TÍTOL: "Incentives Relating Unrelated Education Policies. Evidence from England"

17:30   **PEiO ZUAZO-GARÍN**. Universitat Rovira i Virgili / CREIP / BRIDGE
TÍTOL: "Uncertain information transmission and backward induction"

18:15   **JOSÉ ALCALDE.** Universitat d'Alacant
TÍTOL: "Fair Allocation of Indivisible Objects: A Contest Approach"

DIVENDRES 29 de Maig   **SALA ERNEST LLUCH** (1ª planta edifici Economia)

10:00   **FRANCESC LLERENA**. Universitat Rovira i Virgili / CREIP
TÍTOL: "Rationality, aggregate monotonicity and consistency in cooperative
             games: some (im)possibility results"

10:45   **CARMEN BEVIÁ.** Universitat Autònoma de Barcelona / Universitat d'Alacant
TÍTOL: "Dominant strategy Implementation in Contests"

11:30   **MARINA BANNIKOVA**. Universitat Rovira i Virgili / CREIP
TÍTOL: "Gathering support from rivals"

12:15   **JOSEP E. PERIS.** Universitat d'Alacant
TÍTOL: "Rationalizable choice and standards of behavior"

RESUM de LES PONÈNCIES:

JOSÉ ALCALDE. Universitat d'Alacant
TITLE: **"Fair Allocation of Indivisible Objects: A Contest Approach"**

Abstract: We design a mechanism to allocate indivisible objects that combines procedural and distributive fairness. It associates each allocation problem a family of priori- ties to be used when determining how agents and objects should be matched. The selection of specific priorities, correlated with agents' preferences, guarantees the (ex-ante) equity of the outcome. The analysis of our mechanism, both from the efficiency and the strategic perspec- tives, allows to connect the recent literature on random assignment (Bogomolnaia and Moulin, 2001) and the traditional analysis of matching mechanisms (Gale and Shapley, 1962).

MARINA BANNIKOVA. Universitat Rovira i Virgili / CREIP
TITLE: **"Gathering support from rivals"** (with José-Manuel Giménez-Gómez)

Abstract: Which alternative is selected when voters are called to participate in a sequential voting? Does the ordering matter? The current approach is an attempt to analyze these questions. Specifi cally, we propose a two-alternative sequential voting procedure in which voters are randomly ordered. Each voter has complete information about the preferences of all the voters. The alternative is implemented if there is unanimity. If there is no unanimity reached, then the voting repeats. We obtain that if the order is the same at each stage, then the first voter obtains his preferred alternative immediately, whether he is the most patient or not. If the order is randomized at each stage, neither being more patient nor being the first is not enough to guarantee that the preferred alternative will be selected.

CARMEN BEVIÁ. Universitat Autònoma de Barcelona / Universitat d'Alacant
TITLE: **"Dominant strategy Implementation in Contests"** (with Luís Corchón)

Abstract: A contests is a mechanism to allocate prizes. This suggest that contests could be designed to fit the goal of allocating the prize with respect to some criterion. The usual approach is that the planner designs the rules under which the prize is allocated. There are two problems with this approach. First once the rules of the contest have been specified, agents are supposed to play a Nash equilibrium. But Nash equilibrium is a demanding concept both from the informational and the computational point of view. Also in experiments agents spend more effort than the one predicted by Nash equilibrium. Thus it would be desirable to have an equilibrium concept that does not require much computation or information. Second, Nash equilibrium is usually manipulable in the following sense. If an agent can commit to play according to some preferences, it is usually not in her best interest to play according to her true preferences. This manipulation produces an outcome that is not the one intended by the planner. Both problems are solved if the equilibrium concept is dominant strategies (DS) because finding the DS for a particular player does not require any information about the preferences of other agents and manipulating preferences does not make any sense when this manipulation does not affect other people choices.

In this paper we explore what can be achieved when designing a contest if the equilibrium concept is dominant strategies. We follow the differentiable approach pioneered by Laffont and Maskin.

SEBASTIÁN CANO-BERLANGA. Universitat Rovira i Virgili
TITLE: **"On completion of financial time series: a multiple imputation approach"**

Abstract: When a database contains missing values, the forthcoming analysis becomes impossible until one decides how to deal with them. That is the reason why the literature has developed different ways to solve problems associated with NA values. The first methods of this specific literature were regression-based (Yates [1933]), but later more sophisticated algorithms were available (EM algorithm). Rubin [1987] makes a deep analysis on the topic and develops Multiple Imputation, a Monte Carlo technique in which the missing values are replaced by $m>1$ simulated versions, where m is typically small (e.g. 3-10). In Rubin's method for `repeated imputation' inference, each of the simulated complete datasets is analyzed by standard methods, and the results are combined to produce estimates and confidence intervals that incorporate missing-data uncertainty. Multiple Imputation has been widely used in cross section studies but not in time series. This paper aims to extend Multiple Imputation to longitudinal studies, specifically to financial time series. To do so, we propose a method based on an asymmetric filter which splits the original time series in conditional variance and innovations. This procedure allows us to generate plausible values combining the algorithms Gibbs Sampling and Approximate Bayesian Bootstrap. The validity of the proposed method is discussed through extensive tests on different financial time series (firms and market indices). The analysis of empirical tests displays that, after imputing the data, they maintain its individual characteristics. Furthermore, results exhibit high precision in the shape parameter of the conditional distribution of returns, and densities of both conditional variance and innovations.

FRANCESC LLERENA. Universitat Rovira i Virgili / CREIP
TITLE: **"Rationality, aggregate monotonicity and consistency in cooperative games: some (im)possibility results"** (with Pedro Calleja)

Abstract: On the domain of cooperative games with transferable utility, we investigate if there are single-valued solutions that reconcile individual rationality, core selection, consistency andmonotonicity (with respect to the worth of the grand coalition). This paper collects some impossibility results on the combination of core selection with either complement consistency(Moulin, 1985) or projected consistency (Funaki, 1998), and core selection, max consistency (Davis and Maschler, 1965) and monotonicity. By contrast, possibility results show up when combining individual rationality, projected consistency and monotonicity.

JOSEP E. PERIS. Universitat d'Alacant
TITLE: **"Rationalizable choice and standards of behavior"** (with Begoña Subiza)

Abstract: Two independent approaches have been used in order to analyze individual or collective choices. A prominent notion is rationality: individuals choose alternatives maximizing binary relations. This natural property turns out to be problematic, especially in social choice, and gives rise to the well-known Arrow's impossibility result. A different

tool is to analyze choices in terms of standards of behavior, as proposed by von Neumann and Morgenstern (1944) with the notion of stable sets. Although stability seems a desirable property to be fulfilled by any choice function, the usual choice functions in tournaments (top cycle, uncovered set, minimal covering, . . .) do not fulfill it. We introduce a new stability concept (√ stability) that in turn extends the notion of rationality. We prove that the usual tournament choice functions fulfill this new stability condition.

MARCELLO SARTARELLI. Universitat d'Alacant (with Alessandro Tampieri)
TITLE: **"Incentives Relating Unrelated Education Policies. Evidence from England"**

Abstract: We study whether children's assignment to special education by schools, a policy helping about 20% of children with learning disadvantages in England, is affected by whether they obtain in age 11 tests scores greater than or equal to targets, that the government set for them and for schools as part of the school accountability policy. Since the two policies are unrelated, de iure, we expect no effect. However, schools may assess that children missing the target in one or more tests or, vice versa, those achieving it, require special education. By using administrative data and a regression discontinuity design, as children know whether they achieved targets in tests but ignore their scores, we find that missing the target score in one or more tests increases special education by 5 percentage points, or by about 25% the mean. In addition, special education for children barely missing the target score does not significantly improve achievement in subsequent tests, at age 13. This suggests that children do not seem to benefit by the substitution, by schools, between marginally achieving targets in tests and special education.

PEIO ZUAZO-GARÍN. Universitat Rovira i Virgili / CREIP / BRIDGE
TITLE: **"Uncertain Information Transmission and Backward Induction"**

Abstract: In everyday economic interactions, it is not clear whether each agent's sequential choices are visible or not to other participants: the former might be deluded about the latter's capacity to acquire, interpret or keep track of data. Following this idea, this paper introduces uncertainty about players' capacity to observe each others' past choices in dynamic games. We prove that if players are rational and there is common strong belief in opponents' rationality and opponents' perfect information, then, the backward induction outcome is obtained regardless of which of her opponents' choices each player observes. That is, under proper restrictions on the rationalization process, forward inducting according to Battigalli's (1996) best rationalization principle always yields the same outcome irrespective of the information structure of the game. Consequently, the flow of information regarding agents' choices is found irrelevant in strategic terms. The analysis extends the work by Battigalli and Siniscalchi (2002), who provide sufficient epistemic conditions for the backward induction outcome for the perfect information case.