

Examen Incentives and Behavior - Januari 2020

1. what are differences EUT and prospect theory on risk preferences?
 - give 3 graphs
2. Avoiding the ask
 - (un)sophisticated altruists & their utility functions
 - for which cost of avoidance will they go through the other door?
 - compare results with results of the paper
3. derivation of the Exploiting consumers (for time consistent and sophisticated agent) - lecture 11
 - make whole derivation
 - compare both prices + explain
4. article on present bias
 - explain hyperbolic discounting
 - ...
5. dynamic game (ultimatum game): player 1 has \$10 and can decide to keep the money (\$10 for himself, 0 for player 2), share the money (5\$ for himself, 5\$ for player 2) or give the money (0\$ for himself, 10\$ for player 2). Player 2 then decides to accept or reject. If he rejects, both players get 0.
 - draw extensive form
 - what are subgame perfect pure equilibria?
 - which is a nash equilibrium, but not subgame perfect?
 - what would happen in real life? explain behaviour
 - reciprocity
 - self-image issues

