Seminario ISCI

30 de agosto 2012

Sala 21 del DII – U Chile (Domeyko 2338, Santiago)

De 13:30 a 14:30

Pedro Jara-Moroni, Universidad de Santiago de Chile:

"Rationalizability and Mixed Strategies in Large Games"

Abstract: We show that in large games with a finite set of actions in which the payoff of a player depends only on her own action and on an aggregate value that we call the state of the game, which is obtained from the complete action profile, it is possible to define and characterize the sets of (Point-) Rationalizable States in terms of pure and mixed strategies. We prove that the (Point-) Rationalizable States sets associated to pure strategies are equal to the sets of (Point-) Rationalizable States associated to mixed strategies. By example we show that, in general, the Point- Rationalizable States sets differ from the Rationalizable States sets.

Felipe Balmaceda, Universidad de Chile:

"Optimal Financial Contracts and Product Market Competition under Imperfect

Enforceability"

Abstract: This paper studies the optimal capital structure in a setting with imperfect contract enforcement where the number of firms in the market is endogenous. The paper shows that: (i) the optimal financial policy for a given entrepreneur depends on its initial wealth as well as the quality of the contract enforcement; (ii) the choice of the capital structure depends on the number of firms in the market and the number of firms depends on the wealth distribution; and (iii) there is non-monotonic relationship between the quality of enforcement and market concentration.