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› FEMM-Antrag (https://www.fww.ovgu.de/fww_media/femm/FEMM.pdf)

12030

Elmar Lukas/Andreas Welling:

› On the Investment-Uncertainty Relationship: A Game Theoretic Real Option Approach

Abstract:

This paper examines the effect of uncertainty on investment timing in a game theoretical real option model. We extend the settings of Gryglewicz et al. (2008), Wong (2007), and Sarkar (2000) by a more general assumption, i.e. the investment is also influenced by the actions of a second player. The results show that a U-shaped investment-uncertainty relationship generally sustains. However, timing of an investment occurs inefficiently late. Moreover, we show that the influence of uncertainty on the associate first-mover advantage becomes ambiguous, too.

JEL:

G30, G13, C70, D81

Keywords:

real option, investment, uncertainty, managerial flexibility, game theory

12029

Stephanie Vogelgesang/Ian M. Langella/Karl Inderfurth:

› How Yield Process Misspecification Affects the Solution of Disassemble-to-order Problems

Abstract:

Random yields from production are often present in manufacturing systems and there are several ways that this can be modeled. In disassembly planning, the yield uncertainty in harvesting parts from cores can be modeled as either stochastically proportional or binomial, two of these alternatives. A statistical analysis of data from engine remanufacturing of a major car producer fails to provide conclusive evidence on which kind of yield randomness might prevail. In order to gain insight into the importance of this yield assumption, the impact of possible yield misspecification on the solution of the disassemble-to-order problem is investigated. Our results show that the penalty for misspecifying the yield method can be substantial, and provide insight on when the penalty would likely be problematic. The results also indicate that in the absence of conclusive information on which alternative should be chosen, presuming binomial yields generally leads to lower cost penalties and therefore preferable results.

JEL:

Keywords:

Remanufacturing, Disassembly, Random yields, Disassemble-to-order problem, Binomial yields, Stochastically proportional yields

12028

Vera Neidlein/André Scholz/Gerhard Wäscher:

› SLOPPGEN: A Problem Generator for the Two-Dimensional Rectangular Single Large Object Placement Problem With Defects

Abstract:

In this paper, a problem generator for the Two-Dimensional Rectangular Single Large Object Placement Problem is presented in which the large object includes one or several defective areas. The parameters defining this problem are identified and described. The features of the problem generator are pointed out and it is shown how the program can be used for the generation of reproducible random problem instances.

JEL:

Keywords:	two-dimensional cutting, defect, problem generator
12027	Abdolkarim Sadrieh/Marina Schröder: › The Desire to Influence Others
Abstract:	We introduce the give-or-destroy game that allows us to fully elicit an individual's social preference schedule. We find that about one third of the population exhibits both pro-social and anti-social preferences that are independent of payoff comparisons with those who are affected. We call this type of preference a desire to influence others. The other two thirds of the population consist to almost equal parts of payoff maximizers and pro-socials. Furthermore, we find that full information and experimenter demand may increase the extent of pro-social preferences, but neither treatment affects the extent of anti-social preferences or the distribution of social types in the population.
JEL:	A13, C90, D31, D63, D64
Keywords:	altruism, joy of destruction, other-regarding behavior, giving and destruction, kindness, fairness, spite, envy
12026	Elmar Lukas/Andreas Welling: › Investment Timing and Eco(nomic)-Efficiency of Climate-Friendly Investments in Supply Chains
Abstract:	Emission trading schemes like the European Union Emissions Trading System (EUETS) try to reconcile economic efficiency and ecological efficiency by creating financial incentives for companies to invest in climate-friendly innovations. Using real options methodology we demonstrate that under uncertainty economic and ecological efficiency are still mutually exclusive. This problem is even tightened if a climate-friendly project depends on investments of a whole supply chain. We model a sequential bargaining game in a supply chain where the parties negotiate about the implementation of a carbon dioxide (CO ₂) saving investment project. We show that the outcome of their bargaining is not economic efficient and even less ecological efficient. Furthermore, we can show that a supply chain is getting less economic efficient and less ecological efficient with every additional chain link. Finally, we give recommendations how manager: or politicians could improve the situation and thereby increase the economic as well as the ecological efficiency of supply chains.
JEL:	G34, D81, M11
Keywords:	Emission trading, Optimal investment timing, Real options, Game theory, Supply chain management, Eco-efficiency
12025	Lora R. Todorova: › Quantum Risk Preferences in a Laboratory Experiment
Abstract:	This paper presents a quantum model of risk preferences that seeks to provide an explanation of the experimental results reported in Berninghaus, Todorova & Vogt (2012). The finding that subjects choose the risk-dominant strategy in a 2×2 coordination game, on the average, more often, when they have previously completed a risk questionnaire, is not anticipated by the standard economic theory. The model presented in this paper demonstrates that the coordination game and the risk questionnaire can be analyzed as two decisions situations that do not commute and predicts that the order in which decisions are made will influence behavioral choices.
JEL:	
Keywords:	quantum mechanics, uncertain preferences, coordination game, risk, questionnaire
12024	Martin Fochmann/Arne Kleinstück: › Steueraversion - Sind wir wirklich bereit auf Einkommen zu verzichten, nur um Steuern zu sparen?
Abstract:	Entgegen den Annahmen der ökonomischen Standardtheorie zur Besteuerung stellen einige empirische Arbeiten fest, dass Individuen einer Steueraversion unterliegen. Unter dieser Form der Aversion wird in

der Literatur die Bereitschaft verstanden, höhere Ausgaben zur Vermeidung von Steuern einzugehen, als die ökonomischen Kosten der Steuer rechtfertigen. In diesem Beitrag wird mit Hilfe eines Laborexperiments die Existenz von Steueraversion analysiert. Im Ergebnis wird kein steueraverses Verhalten der Versuchsteilnehmer beobachtet. Auch eine Erhöhung der Komplexität durch Einführung von Risiko ändert nichts an diesem Befund.

JEL: C91, D14, H24

Keywords: Einkommensbesteuerung, Steuerwahrnehmung, Steueraversion, Steueraffinität, Experimentalökonomik, Verhaltensökonomik, Risikowahlentscheidungen

12023 Robin Hartwig/Karl Inderfurth/Abdolkarim Sadrieh/Guido Voigt:
› Strategic Inventory and Supply Chain Behavior

Abstract: Based on a serial supply chain model with 2-periods and price-sensitive demand, we present the first experimental test of the effect of strategic inventories on supply chain performance. In theory, if holding costs are low enough, the buyer builds up a strategic inventory (even if no operational reasons for stock-holding exist) to limit the supplier's market power, to increase the own profit share, and to enhance the overall supply chain performance. The supplier anticipates the effect of the strategic inventory and differentiates prices to capture a part of the increased supply chain profits. Our results show that the positive effects of strategic inventories are even more pronounced than theoretically predicted, because strategic inventories empower buyers to reduce payoff inequalities and suppliers exhibit a willingness to reduce inequalities as long as their payoff remains above a certain threshold. Overall, strategic inventories have a double positive effect, a strategic and a behavioral, both reducing the average wholesale prices and damping the double marginalization effect and the latter leading to more equitable payoffs.

JEL:

Keywords: supply chain coordination, vertical contracts, fair behavior, inter-temporal supplier pricing

12022 Lora R. Todorova/Bodo Vogt:
› Herding in a Laboratory Asset Market with a Rich Action Set

Abstract: This paper experimentally examines the efficiency of information aggregation in a simple asset market. Traders decide how to allocate an endowment of 1000 eurocent between two assets. Only one asset will be successful and that will pay back the amount invested in it. The experiment carried out here is original in that it considered a very rich action set. We find that when the action set is sufficiently rich, traders' actions, most of the time, perfectly reveal their private information. Further, the participants in the experiment performed probability matching and took such actions, which were broadly consistent with Bayesian learning.

JEL: G10, D8, C11, C92

Keywords: information cascade, information aggregation, herding, probability matching, Bayes' rule

12021 Lora R. Todorova/Bodo Vogt:
› Are Behavioral Choices in the Ultimatum and Investment Games Strategic?

Abstract: This paper experimentally examines the relationship between self-reporting risk preferences and behavioral choices in the subsequently played dictator, ultimatum and investment games. The results from these experiments are used to discern the motivational bases of behavioral choices in the ultimatum and investment games. The focus is on investigating whether strategic considerations are important for strategy selection in the two games. We find that self-reporting risk preferences does not alter the dictators' offers and trustees' investments, while it significantly decreases the proposers' offers and leads to a substantial decrease in the amount trustees give back to their partners. We interpret these results as evidence that the decisions of proposers in the ultimatum game and trustees in the investment game are strategic.

JEL:	C7, C91, D8
Keywords:	coordination game, dictator game, ultimatum game, investment game, questionnaire, risk scale, risk preferences
12020	Siegfried K. Berninghaus/Lora R. Todorova/Bodo Vogt: › How Sensitive is Strategy Selection in Coordination Games?
Abstract:	<p>This paper presents the results of an experiment designed to study the effect produced on strategy choices when a subject reports risk preferences on a risk scale before engaging in a 2x2 coordination game. The main finding is that the act of stating one's own risk preferences significantly alters strategic behavior. In particular, subjects tend to choose the risk dominant strategy more often when they have previously stated their attitudes to risk. Within a best-response correspondence framework, this result can be explained by a change in either risk preferences or beliefs. We find that self-reporting risk preferences does not induce a change in subjects' beliefs. We argue that the behavioral arguments of strategy selection, such as focal points, framing and uncertain preferences can explain our results.</p>
JEL:	D81, C91, C72
Keywords:	coordination game, questionnaire, risk scale, risk preferences, beliefs, focal points, framing, uncertain preferences
12019	Andreas Knabe/Ronnie Schöb/Joachim Weimann: › Partnership, Gender Roles and the Well-Being Cost of Unemployment
Abstract:	<p>We use the differences between life satisfaction and emotional well-being of employed and unemployed persons to analyze how a person's employment status affects cognitive well-being. Our results show that unemployment has a negative impact on cognitive, but not on affective well-being, which we interpret as a loss in identity utility. Living in a partnership strengthens the loss in identity utility of men, but weakens that of women. Unemployment of a person's partner reduces the identity loss of unemployed men, but raises it for women. These results suggest that the unemployed's feeling of identity is affected by traditional gender roles, while this does not seem to be the case for the affective part of their subjective well-being.</p>
JEL:	I31, J60, J22
Keywords:	unemployment, happiness, life satisfaction, Day Reconstruction Method, identity, partnership, gender roles
12018	Michèle Belot/Marina Schröder: › Sloppy Work, Lies and Theft: A Novel Experimental Design to Study Counterproductive Behaviour
Abstract:	<p>We propose a novel experimental design to study counterproductive behaviour in a principal agent setting. The design allows us to study and derive clean measures of different forms of counterproductive behaviour in a controlled but non obtrusive manner. We ask participants to complete a specific task (identify euro coins) and report their output. Participants can engage in various forms of counterproductive behaviour, none of them being offered to them explicitly. They can make mistakes in the identification task, lie in their report or even steal coins. We present an application of the design to study the effects of different pay schemes (competition, fixed pay and piece rate) on counterproductive behaviour. On average counterproductive behaviour amounts to 10 percent of the average productivity, almost all arising through mistakes and overreporting of output. We find essentially no evidence of theft. Moreover, we find that both productive and counterproductive behaviour are significantly higher under competition than under the two other pay schemes.</p>
JEL:	C91, J24, J30, M52
Keywords:	counterproductive behaviour, compensation, experiment, competition, piece rate, fixed pay

12017	Daniel Cracau/Benjamin Franz: › An experimental study of mixed strategy equilibria in simultaneous price-quantity games
Abstract:	<p>We study oligopoly games with firms competing in prices and quantities at the same time. We systematically compare our experimental results to the theoretical predictions using the mixed strategy equilibria for linear demand functions. For the duopoly game, we observe that the mixed strategy equilibrium predicts average outcomes better than Cournot and Bertrand do. Subjects' price choices are mainly between marginal cost and monopoly level but do not follow the equilibrium distribution. Although average prices and profits are above theoretical values, we do not observe a high level of collusion as expected in the literature. By comparing simulations based on the mixed strategy equilibrium to our experimental outcomes, we conclude that in this game price setting can be explained by strategic reaction to preceding round results. In contrast to the equilibrium prediction, we observe a decrease in prices and negative average profits for the triopoly game.</p>
JEL:	D43, L11
Keywords:	Price-Quantity Competition; Mixed Strategy Equilibria; Experimental Economics; Learning Direction Theory
12016	Guido Voigt: › Contracting under asymmetric holding cost information in a serial supply chain with a nearly profit maximizing buyer
Abstract:	<p>Screening contracts (or non-linear "menu of contracts") are frequently used for aligning the incentives in supply chains with private information. In this context, it is assumed that all supply chain parties are strict (expected) profit maximizing and, therefore, sensible to even arbitrarily small pay-off differences between contract alternatives. However, previous behavioral work on contracting under asymmetric information in supply chains shows that agents (buyers) are not always strictly profit maximizing. Instead, they sometimes tend to choose contracts that have only a minor impact on their own performance but a substantially negative impact on the principal's (supplier's) and the overall supply chain's performance. Thus, these studies indicate that the buyers are in fact not strictly but only nearly profit maximizing when making their contract choices. The present work relaxes the assumption of the strictly profit maximizing buyer in a serial supply chain for a lot-sizing framework with asymmetrically distributed holding cost information and deterministic end-customer demand. The study provides researchers and managers an approach on how to account for the buyer's insensitivity to arbitrarily small pay-off differences while providing a solution method for the resulting non-linear mathematical program. A numerical study compares the advantages of the "behavioral robust" contract assuming only nearly profit maximizing buyers against the classical screening contract assuming strictly profit maximizing buyers. The results highlight that supply chain performance losses can be substantially reduced under the behavioral robust contract.</p>
JEL:	
Keywords:	Asymmetric information · Supply chain coordination · Contracting · Behavioral modeling
12015	Dirk Bethmann/Michael Kvasnicka: › A Theory of Child Adoption
Abstract:	<p>Women can bear own children or adopt them. Extending economic theories of fertility, we provide a first theoretical treatment of the demand for adoption. We show that the propensity to adopt a child increases in the degree of own altruism, infertility, relatedness to the child, costs of own child birth, and any adoption-specific monetary return that is received net of the costs of adopting the child. Our model make several testable predictions which receive empirical support. These include a higher propensity to adopt among infertile adults, relatives, women with high earnings potential, and celebrities.</p>
JEL:	J12, J13, D02
Keywords:	Adoption, Demand for Adoption, Fertility, Children, Altruism

12014	Eike B. Kroll/Ralf Morgenstern/Thomas Neumann/Stephan Schosser/Bodo Vogt: › Bargaining power does not matter when sharing losses - Experimental evidence of Inequality Aversion in the Nash bargaining game
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Abstract:

While experimental research on social dilemmas focuses on the distribution of gains, this paper analyzes social preferences in the case of losses. In this experimental study, participants share a loss in a Nash bargaining game. Instead of monetary losses, we use waiting time as an incentive. We assume that participants prefer less to more waiting time. Our experiment consists of four versions of the Nash bargaining game, which vary in a way that allows a comparison of four classical concepts on negotiation: (Nash, Equal Loss, Equal Gain, and Kalai-Smorodinski), and Inequality Aversion. We find an equal split of waiting time for all parameter variations. Therefore, our experimental evidence shows that Inequality Aversion provides a better prediction than do classical concepts for the outcome of a Nash bargaining game involving losses. Furthermore, participants resort to Inequality Aversion at the cost of overall welfare.

JEL:	C7, C9
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Keywords:	bargaining, losses, inequality aversion, experimental economics
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12013	Mark Schopf/Hendrik Ritter: › Reassessing the Green Paradox
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Abstract:

This paper deals with possible foreign reactions to domestic carbon demand reducing policies. It differentiates between demand side and supply side reactions as well as between intra- and intertemporal shifts of greenhouse gas emissions. In our model, we integrate increasing marginal physical extraction costs of fossil fuels into the general equilibrium carbon leakage model of Eichner & Pethig (2011). The results are as follows: The conditions for the emergence of the weak green paradox are similar but somewhat tighter than those derived by Eichner & Pethig (2011). Additionally, a strong green paradox can arise in our model under supplemental constraints. That means a "green" policy measure might not only lead to an acceleration of fossil fuel extraction but to an increase in the cumulative extraction.

JEL:	Q31, Q32, Q54
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Keywords:	Natural Resources, Carbon Leakage, Green Paradox
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12012	Eike B. Kroll/Judith N. Trarbach/Bodo Vogt: › Do people have a preference for increasing or decreasing pain? An experimental comparison of psychological and economic measures in health related decision making
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Abstract:

This paper investigates preferences for different health profiles, especially sequences of increasing and decreasing pain. We test conflicting predictions in terms of preferences over two painful sequences. The QALY concept relevant for the determination of different levels of health-related quality of life implies indifference, whereas behavioral theories find preferences related to ordering, following the peak-end-rule. Using an experimental design with real consequences we generate decisions about painful sequences induced by the cold pressor test. The results are compared with hypothetical choice data elicited using standard methods. We find that hypothetical methods reveal decisions in line with the peak end-rule. However when it comes to real consequences of their decisions, subjects are on average not willing to pay for that preference.

JEL:	D8, C9
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Keywords:	pain, peak-end-rule, willingness-to-pay
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12011	Sebastian Lehmann/Martin Reimann:
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Abstract:

"Time is money" is how a common saying goes, reflecting a widespread assumption in many people's everyday life. It seems that money and time are very similar concepts which might even be exchangeable all together. However, the neurophysiological processes underlying the activation of time or money are not yet completely understood. In order to understand in how far and in which dimensions the concept of time versus the concept of money effects human behavior we enquired the neural differences of the time versus money effect. This paper broadens the understanding of both concepts and investigates the posited distinct mindsets of time and money using functional magnetic resonance imaging (fMRI) technology. A sample of 44 righthanded adults has been analyzed. Our data supports the idea of the existence of two distinct mindsets for time and money. However, contrasting both conditions in one general linear model only a few significant differences have been found. The insula seems to be a crucial locus for the neural difference of both mindsets. Higher insula activation in the time condition suggests stronger urge for the product primed with time.

JEL:

Keywords:

time-versus-money effect, priming, product evaluations, insula, functional magnetic resonance imaging (fMRI), consumer neuroscience, decision neuroscience

12010

Patrick Brämer/Horst Gischer/Toni Richter/Mirko Weiß:

› Diverse Degrees of Competition within the EMU and their Implications for Monetary Policy

Abstract:

Our paper calls attention to the heterogeneous levels of competition in EMU banking systems. We enhanced the ECB MFI interest rate statistics by calculating a lending rate average weighted by loan volumes for each EMU member country. Employing a modified Lerner Index, our unique data set enable us to calculate banks' price setting power in the national lending business alone, instead of measuring market power for banks' total business. For 12 countries, we ultimately show that market power in the exclusive segment of lending is greater than market power in total banking business. In an OLS regression model, we investigate to what extent loan rate variations can be explained by changing degrees of market power during the period 2003-2009. Significant cross-country differences can be observed. We find that changes in the national degree of competition considerably affect funding conditions in the individual countries and therefore hinder a homogeneous transmission of ECB monetary policy.

JEL:

E43, E52, E58, L16

Keywords:

banking competition; European Monetary Union; Lerner Index; monetary policy

12009

Joachim Weimann/Jeanette Brosig-Koch/Heike Hennig-Schmidt/Claudia Keser/Christian Stahr:

› Public-good experiments with large groups

Abstract:

Many of real-world public-goods are characterized by a marginal per capita return (MPCR) close to zero and have to be provided by large groups. Up until now, there is almost no evidence on how large groups facing a low MPCR behave in controlled public-good laboratory experiments involving financial incentive: Connecting four experimental laboratories located in four different German universities via Internet, we are able to run such experiments. In addition to the group size (60 and 100 subjects), we vary the MPCR which is as small as 0.02 or 0.04. Our data reveal a strong MPCR effect, but almost no group-size effect. Our data demonstrates that, even in large groups and for low MPCRs, considerable contributions to public goods can be expected. Interestingly, the contribution patterns observed in large and very small groups are very similar. To the best of our knowledge, this study is the first one that includes large-group laboratory experiments with a small MPCR under conditions comparable to previous small-group standard public-good experiments.

JEL:

C91, C72, H42

Keywords:

12008

Jörg Bühnemann:

› Lissabon 2010 - Eine F&E-orientierte Konzeption neuer Förderregionen

Abstract:

Forschung und Entwicklung (F&E) ist die Basis von marktfähigen Innovationen und besitzt damit einen zentralen Stellenwert für das Wirtschaftswachstum. Um die F&E-Tätigkeit von Unternehmen zu steigern, entwickelt die Politik gezielte Fördermaßnahmen, die beispielsweise in strukturschwachen Regionen Wachstumsimpulse erzeugen sollen. Hierzu zählen in Deutschland vorrangig die neuen Bundesländer. Nach zwanzig Jahren deutscher Einheit wächst der Druck, diese gezielte Förderung aufzugeben und neue Fördergebiete mit einer gesamtdeutschen Sichtweise zu konzeptionieren. Konkrete Maßnahmen wurden bisher nicht eingeleitet. Der vorliegende Beitrag unterbreitet auf Basis von F&E-Indikatoren einen Vorschlag zur Festlegung neuer Förderregionen und differenziert dabei nicht zwischen alten und neuen Bundesländern. Auf dieser Grundlage können neue spezifische Förderprogramme entwickelt werden, die sich an den unterschiedlichen Bedürfnissen der jeweiligen Förderregionen ausrichten, denn nicht jedes Förderprogramm ist in jeder Region erfolgreich. Die F&E-Indikatoren werden aus der europäischen Innovationspolitik abgeleitet und sind aufgrund der durchgeführten Sekundärdatenanalyse objektiv überprüfbar.

JEL:

Keywords: Lissabon-Strategie, Wachstum, Innovation, F&E, Förderpolitik, Cluster

12007

Andreas Bortfeldt/Gerhard Wäscher:

› Container Loading Problems - A State-of-the-Art Review

Abstract:

Container loading is a pivotal function for operating supply chains efficiently. Underperformance results in unnecessary costs (e.g. cost of additional containers to be shipped) and in an unsatisfactory customer service (e.g. violation of deadlines agreed to or set by clients). Thus, it is not surprising that container loading problems have been dealt with frequently in the operations research literature. It has been claimed though that the proposed approaches are of limited practical value since they do not pay enough attention to constraints encountered in practice.

In this paper, a review of the state-of-the-art in the field of container loading will be given. We will identify factors which - from a practical point of view - need to be considered when dealing with container loading problems and we will analyze whether and how these factors are represented in methods for the solution of such problems. Modeling approaches, as well as exact and heuristic algorithms will be reviewed. This will allow for assessing the practical relevance of the research which has been carried out in the field. We will also mention several issues which have not been dealt with satisfactorily so far and give an outlook on future research opportunities.

JEL:

Keywords: container loading, cutting, packing, constraints, exact algorithms, heuristics

12006

Lutz-Ulrich Haack/Martin C. Reimann:

› Compliance Framing - Framing Compliance

Abstract:

Zusammenfassung:

Für die systematische Sicherstellung der Einhaltung von Gesetzen und internen Richtlinien (Compliance) müssen Unternehmen diverse organisatorische Maßnahmen treffen. Compliance Management Systeme (CMS) haben insbesondere die herausfordernde Aufgabe, mittels eines internen Compliance-Marketing für eine angemessene und vor allem wirksame Compliance-Kultur zu sorgen. Die aktuelle Compliance-Literatur und Erkenntnisse der persuasiven Goal-Framing-Forschung geben unterschiedliche Handlungsempfehlungen hinsichtlich einer anzustrebenden vertrauens- versus einer anzustrebenden regelbasierten Compliance-Kultur.

Abstract:

Corporations have to install various organizational measures to comply with legal as well as internal guidelines systematically. Compliance management systems have the challenging task to make use of an internal compliance-marketing approach in order to ensure not only an adequate but also effective

compliance-culture. Compliance-literature and findings of persuasive goal-framing-theory give opposite implications for establishing a rather values- versus rule-based compliance-culture respectively.

JEL:

Keywords:

Compliance, Compliance-Kultur, regelbasierte Compliance- Kultur, vertrauensbasierte Compliance-Kultur, Compliance- Marketing, Compliance-Grundtonalität, Compliance Management System, Compliance-Framing, Compliance-Goal-Framing

Compliance, Compliance-Culture, rule-based Compliance- Culture, values-based Compliance-Culture, Compliance-Tonality, Compliance-Marketing, Compliance Management System, Compliance-Framing, Compliance-Goal-Framing

12005

Markus Sass:

› Long-term Competitive Balance under UEFA Financial Fair Play Regulations

Abstract:

This paper analyzes the long-term development of competitive balance in a professional team sports league with win-maximizing clubs facing a strict break-even constraint as imposed by UEFA's new Financial Fair Play Regulations. A classical model of professional team sports leagues is employed to calculate seasonal competitive balance, which solely depends on the market size of clubs. In the multi-period version of the model, a market size function, which captures the empirical fact that a club's revenue potential is positively affected by its historic success, is introduced. The model shows that there is only one long-term steady-state equilibrium, in which big clubs totally dominate small clubs and competitive balance is maximally uneven. The intuition is that a club, which becomes more successful, is able to attract more and more spectators yielding higher revenue and leading to the club being able to afford more playing talent. This in turn leads to greater success, which in turn attracts even more spectators and so forth. Since small clubs are no longer allowed to overspend and thereby invest their way to a greater market size in the future, the model predicts a negative trend in competitive balance to be the result of the new UEFA Financial Fair Play Regulations.

JEL:

L83

Keywords:

Sports Economics, Professional Team Sports, Competitive Balance, UEFA Financial Fair Play

12004

Sebastian Henn:

› Variable Neighborhood Search for the Order Batching and Sequencing Problem with Multiple Pickers

Abstract:

Order picking deals with the retrieval of articles from their storage locations in order to satisfy customer requests. The transformation and consolidation of customer orders into picking orders (batches) is pivotal for the performance of order picking systems. Typically, customer orders have to be completed by certain due dates in order to avoid delays in production or in the shipment to customers. The composition of the batches, their processing times, their assignment to order pickers and the sequence according to which they are scheduled determine whether and the extent to which the due dates are missed. This article shows how Variable Neighborhood Descent and Variable Neighborhood Search can be applied in order to minimize the total tardiness of a given set of customer orders. In a series of extensive numerical experiments, the performance of the two approaches is analyzed for different problem classes. It is shown that the proposed methods provide solutions which may allow order picking systems to operate more efficiently.

JEL:

Keywords:

Warehouse Management; Order Batching; Batch Sequencing; Due Dates; Variable Neighborhood Descent; Variable Neighborhood Search

12003

Patrick Brämer/Horst Gischer:

› Domestic Systemically Important Banks: An Indicator-Based Measurement Approach for the Australian Banking System

Abstract: This paper serves as a response to the assessment methodology of the Basel Committee on Banking Supervision to identify systemically important banks. Based on the official technique, which requires an extensive collection of bank data, our paper develops a practicable modification. Utilising readily available indicators, we determine the domestic systemic risk of each licensed bank in Australia in the period 2002-2011. Our quantitative results uncover not only high levels of systemic risk for the four major banks, but their rising dominance during the global financial crisis. Consequently, we introduce a regulatory proposal that enables authorities to reduce the systemic risk of individual institutions.

JEL: G01, G18, G21, L50

Keywords: Basel III, financial regulation, indicator-based measurement, systemic risk

12002 Markus Sass/Joachim Weimann:
› The Dynamics of Individual Preferences in Repeated Public Good Experiments

Abstract: We investigate the stability of individual behavior in a repeated public good experiment over time by reinviting subjects back to the lab up to four times in one week intervals. We exclude effects due to learning about others' behavior and reputation building by employing a non-learning and non-reputation environment: subjects are neither told nor paid their earnings until the very end of their participation and thus deprived of any feedback information and strategic possibilities to signal their intentions. This experimental design thus leaves unstable preferences as the most likely source for unstable behavior. We observe that, in the first wave of the experiment, subjects contribute to the public good in accordance to other-regarding preferences, but become more selfish in the latter waves of the experiment and consequently contributions to the public good decrease over time. The decline is mainly caused by initial conditional cooperators who turn into free riders over the course of the experiment.

JEL: C90, C91, C72, C73

Keywords: Individual preferences, consistency, stability, experimental economics

12001 Dieter Schmidtchen/Roland Kirstein:
› Ordnung

Abstract: Ordnung ist ein Begriff, der eine Vielfalt von Bedeutungsvarianten aufweist: Man spricht von Rechtsordnung, Wirtschaftsordnung, Präferenzordnung, Hausordnung oder Marschordnung; die Mathematik kennt die Ordnungsrelation; in der Systemtheorie ist mit Ordnung der Organisationsgrad eines Systems gemeint, und die Thermodynamik und die Informationswissenschaft definieren ihn als reziproken Wert der Entropie. Lässt sich in dieser bunten Palette an Bedeutungen ein gemeinsames Element, ein Leitgedanke, identifizieren? Eine Antwort auf diese Frage versuchen wir in Kapitel 1 ("Begriff") zu liefern. Kapitel 2 enthält einen kurzen Abriss der Geschichte des Begriffs. Im darauf folgenden Kapitel 3 werden die Arten von Ordnung aus Sicht der Ökonomie behandelt. Kapitel 4 identifiziert den Ursprung vorhersehbarer Verhaltens - eine *conditio sine qua non* für das Entstehen von Handlungsordnungen. Kapitel 5 beschreibt das Forschungsprogramm der evolutiven Ordnungstheorie. Zunächst wird anhand eines einfachen Modells gezeigt wie Konventionen entstehen. Sodann wird der Zusammenhang zwischen Transaktionskosten und der spontanen Ordnung untersucht. Schließlich wird der sogenannte Koordinationsansatz, in dem Koordinationslücken und Unternehmertum eine zentrale Rolle spielen, dargestellt. In Kapitel 6 wird der Grundgedanke der Ordnungspolitik erläutert. Das den Beitrag abschließende Kapitel 6 widmet sich der Frage der Koexistenz von Gleichgewichtstheorie, Marktprozessstheorie und evolutiver Ordnungstheorie.

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Keywords: Evolutorische Ökonomik, Spontane Ordnung, Transaktionskosten

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