Auction Theory and its Applications to Economics

Reading List, 1999

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Sections 2-14 of this list correspond to sections of Klemperer (1999) (see Section 1).

Articles marked (*) and (**) are reproduced in The Economic Theory of Auctions (see Section 18), with the exceptions of Klemperer (forthcoming a,b), and are particularly recommended.

Core material for this course is marked (**).

My articles can be found on my website www.paulklemperer.org

1. Introductions


2. Early Literature


3. Introduction to the Recent Literature


4. The Basic Analysis of Optimal Auctions, and Revenue Equivalence


* Vickrey 1961, 1962 (see under 2).

** Bulow and Klemperer 1996 (see under 8.2).

5. Risk Aversion


6. Correlation and Affiliation


7. Asymmetries

7.1 Private Value Differences


* Maskin and Riley, 1985 (see under 3).

* Griesmer et al, 1967 (see under 2.).


7.2 Almost Common Values


Bulow, J. I., and Klemperer, P. D (forthcoming) (see under 1.5.2.).

7.3 Information Advantages


* Milgrom, 1981 (see under 8.3).


8. Entry Costs and the Number of Bidders

8.1 Endogenous Entry of Bidders

* Klemperer, forthcoming a (see under 1).


8.2 The Value of Additional Bidders


8.3 Information Aggregation with Large Numbers of Bidders


Pesendorfer, W. and Swinkels, J. M. (1997) The Loser’s Curse and Information Ag-

### 8.4 Unknown Number of Bidders

* Matthews, 1987 (see under 5).


### 9. Collusion

* Klemperer, forthcoming a (see under 1).


### 10. Multiple Units

#### 10.1 Optimal Auctions


10.2 Simultaneous Auctions


10.3 Sequential Auctions

(i) Bidders demand only a single unit each


(ii) Bidders with multi-unit demand

* Ortega-Reichert, 1968 (see under 2).


10.4 Efficient Auctions


11. Royalties, Incentive Contracts, and Payments for Quality


12. Double Auctions, etc

12.1 Double Auctions


12.2 Related Two-Sided Trading Mechanisms


13. Other Topics

13.1 Budget Constraints


Pitchik and Schotter, 1988 (see under 10.3(ii)).

Pitchik, 1995 (see under 10.3(ii)).


13.2 Externalities between Bidders


13.3 Jump Bidding

* Fishman, 1988 (see under 8.1).


### 13.4 War of Attrition


### 13.5 Competing Auctioneers


### 14. Testing the Theory

#### 14.1 Empirical


14.2 Experimental


15. More on Specific Auction Forms

15.1 More on First Price Auctions


15.2 More on Second Price Auctions


16. Miscellaneous


17. Surveys

** Klemperer, 1999 (see under 1).

** Klemperer, forthcoming a (see under 1).

** Klemperer, forthcoming b (see under 1).

* McAfee and McMillan, 1987 (see under 3).


Chapter 8, Cambridge University Press.

18. Collection of Articles