

Reading/discussion questions: Bajari-Hortacsu paper

1. General understanding
 - (a) What is proxy bidding? What “standard auction form” (1-price, 2-price, English, etc.) does the eBay auction resemble the most?
 - (b) What is “sniping”? What are possible explanations? What is the authors’ explanation?
 - (c) What products does this study focus on? Is this a common value or private value environment? What do the authors assume, and why?
2. Stylized facts of data
 - (a) What data are collected?
 - (b) What finding is most noteworthy and striking from Table 1?
 - (c) What is general finding from Table 3?
 - (d) What is going on in Table 5? Why are there differences between the two columns?
 - (e) What is going on in Table 6?
3. Model of eBay auctions
 - (a) What bidding model is used for eBay? Why do bidders only want to bid late in the auction?
 - (b) Describe the statistical assumptions regarding bidders’ signals
 - (c) Which model parameters are estimated?
 - (d) What is going on in Table 7?
 - (e) What is going on in Figure 4?
 - (f) What is going on in Figure 7?
4. What are “takeaway” facts from this paper?