Reading/discussion questions: Cantillon-Pesendorfer paper

1. Auction bidding environment

   - simultaneous/combinatorical auctions
   - bidders have multidimensional types ("costs")
   - "first-price" auction: understand allocation rule and payoffs (pg. 7)
   - Question: are costs subadditive? "Synergies"
   - Intuition of optimal bidding: pg. 8

2. Identification

   - Empirical bidding problem (pp. 14-15). Role of "one-to-one" between cost vector, and bid vector
   - Identification argument (pp. 16-17)

3. Data and market description (Tables 1, 2)

4. Estimation: two steps

   (a) Parametric estimation of (multidimensional) bid distributions.
   (b) Infer costs from bids

5. Results

   - Parameterization of mean and variance of bids: pg. 40
   - Table 3; Figs 1, 2
   - Synergies (section 6.3)