

Economics Seminar, Indian Statistical Institute, New Delhi.

SPEAKER: **Eyal Winter**, Hebrew University of Jerusalem

TITLE: **How to Throw a Party: Multi-Agent Contracting with Type Dependent Externalities**

TIME: 11:30 AM - 1:00 PM.

DAY & DATE: Friday, 9th December, 2011

PLACE: Seminar Room 2

Abstract:

We model situations in which a principal offers contracts to a group of agents to participate in a project. Agents benefits from participation depend on the identity of other participating agents. We assume heterogeneous externalities and characterize the optimal contracting scheme. We show that the optimal contracts payoff relies on a ranking of the agents, which arise from a tournament among the agents. The optimal ranking cannot be achieved by a simple measure of popularity. Using the structure of the optimal contracts we derive results on the principals revenue extraction and the role of the level of externalities asymmetry.

<http://www.isid.ac.in/~pu/seminar.html>