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?