1

2

3

Cambridge University Press & Assessment 978-1-009-50442-3 — Contests Carmen Beviá, Luis Corchón Table of Contents <u>More Information</u>

Contents

List	of Illustrations	<i>page</i> viii		
List of Tables				
Pref	ace	xi		
Boo	Book Outline			
Нои	How to Use This Book			
Parl	I Foundations	1		
An l	ntroduction to Contests	3		
1.1	Contests in the Early Economic Literature	4		
1.2	Examples	5		
1.3	The Main Concept	6		
1.4	Contest as a Normal Form Game	7		
1.5	Extensions	8		
Cont	test Success Functions	10		
2.1	All Pay Auction (Hillman and Riley, 1989)	10		
2.2	Difference CSF (Hirshleifer, 1989)	12		
2.3	Ratio Form CSF (Tullock, 1980)	14		
2.4	Extensions of Ratio: Logit CSF (Dixit, 1987)	18		
2.5	Extensions of Ratio: Ratio Plus Luck and Relative Difference CSFs	19		
2.6	Additive Separable CSF	22		
2.7	Advanced Material: The Existence of a Symmetric Equilibrium with			
	General CSF	23		
2.8	Exercises	27		
Equi	librium with Heterogeneous Agents	31		
3.1	Introduction	31		
3.2	Two Contestants	33		
3.3	Equilibrium with Heterogeneous Agents and Ratio Form CSF	39		
3.4	Effects of Rent-Seeking	41		
3.5	All Pay Auction with More Than Two Contestants	43		
3.6	Empirical Estimation of CSF	43		
3.7	Appendix: Existence of a Nash Equilibrium for Two-Person Games	45		
3.8	Exercises	46		

Cambridge University Press & Assessment 978-1-009-50442-3 — Contests Carmen Beviá, Luis Corchón Table of Contents <u>More Information</u>

vi	Cont	ents			
4	Four	ndations for Contest Success Functions	50		
•	4.1	Noisy Performance	50		
	4.2	Axiomatics	52		
	4.3	Contests Organized by a Planner	53		
		Bargaining and Claims	59		
	4.5	Exercises	61		
	Parl	II Extensions	63		
5	Con	tests between Groups	65		
	5.1	A Model of Contests between Groups	65		
	5.2	Free Riding	67		
	5.3	The Size of Groups and the Success of Conspiracies	68		
		Endogenous Sharing Rules	72		
	5.5	Exercises	76		
6	Sabo	otage	80		
	6.1	An Example	81		
	6.2	The Basic Model of Sabotage in Contest	82		
		Equilibrium with and without Sabotage	84		
		Consequences of Sabotage	90		
	6.5	Exercises	92		
7	Dynamic Contests				
	7.1	Endogenous Timing Contests	96		
	7.2	Elimination Contests	101		
		Races	103		
		Effort as an Investment for the Future	107		
		Repeated Contests	111		
	7.6	Exercises	113		
8	Asyr	nmetric Information	117		
	8.1	One-Sided Asymmetric Information	118		
	8.2	Characteristics of Equilibrium in One-Sided Asymmetric Information	121		
	8.3	Two-Sided Asymmetric Information	123		
	8.4	Characteristics of Equilibrium in Two-Sided Asymmetric Information	125		
	8.5	Exercises	128		
	Parl	III Applications	131		
9	Contests in Other Environments: Draws, Large Contests, and Entry				
	9.1	Contest with Draws	134		
	9.2	Large Contests	142		
	9.3	Several Alternative Contests	144		
	9.4	Exercises	148		

CAMBRIDGE

Cambridge University Press & Assessment 978-1-009-50442-3 — Contests Carmen Beviá, Luis Corchón Table of Contents <u>More Information</u>

	Contents	vii
10	Contests in Classical Problems: Divisionalization, Monopoly Welfare Losses,	
	Coase Theorem, Voting	150
	10.1 Divisionalized Firms	150
	10.2 The Fight for Monopoly Rents	152
	10.3 The Coase Theorem with a Previous Contest	155
	10.4 Contests and Voting	158
	10.5 Derivation of the Winning Probabilities	162
	10.6 Exercises	163
11	Contests, Institutions, Wars, and Economic Success	165
	11.1 Rent-Seeking and Economic Performance: The Basic Trade-off	165
	11.2 Why Some Countries Succeed While Others Do not	167
	11.3 War	172
	11.4 Exercises	180
12	Contests: Social Welfare and Public Policy	183
	12.1 Social Valuation of Contests	183
	12.2 Properties of Socially Optimal Contests	184
	12.3 Choosing Contests	189
	12.4 Effects of Policy on Contests	192
	12.5 Exercises	195
	Summary: The Lost Continent – A Tale of Discovery	198
	References	199
	Index	214