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Curriculum Vitae Fall 2009

AYCA OZDOGAN

Personal Data

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Major Fields of Concentration

Game Theory, Financial Economics, Applied Theory

Education

<i>Degree</i>	<i>Field</i>	<i>Institution</i>	<i>Year</i>
Ph.D.	Economics	University of Minnesota (expected)	2010
M.A.	Economics	University of Minnesota	2009
M.A.	Economics	Sabanci University	2005
B.S., B.A.	Mathematics & Economics	Koc University	2003

Dissertation

Title: "Essays on Repeated Games and Reputations"
Dissertation Advisor: Professor Aldo Rustichini
Expected Completion: Summer 2010

References

Professor Aldo Rustichini	(612) 625-4816 arust@econ.umn.edu	Department of Economics University of Minnesota 4-101 Hanson Hall 1925 Fourth Street South Minneapolis, MN 55455
Professor Christopher Phelan	(612) 626-2533 cphelan@umn.edu	
Professor Jan Werner	(612) 625-0708 jwerner@umn.edu	
Dr. Simran Sahi	(612) 625-6353 ssahi@umn.edu	

Honors and Awards

- 2009 *Graduate Research Partnership Program Fellowship*, University of Minnesota, Minneapolis, Minnesota.
2009 *Distinguished Instructor*, Department of Economics, University of Minnesota, Minneapolis, Minnesota.
1999 - 2003 *Vehbi Koc Honour List*, Koc University, Istanbul, Turkey.
1998 – 2003 *Koc University Fellowship*, Koc University, Istanbul, Turkey.

Teaching Experience

- 2007 - present *Instructor*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Taught *Financial Economics*, *Intermediate Microeconomics*, and *Principles of Macroeconomics*.
2006 - 2007 *Teaching Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Led recitation sections for *Principles of Microeconomics* and *Principles of Macroeconomics*.
2003 - 2005 *Teaching Assistant*, Department of Economics, Sabanci University, Istanbul, Turkey. Led recitations for *Games and Strategies*, *Game Theory*, and first year masters' class *Microeconomic Theory*.

Papers

- “Reputation Effects in Two-Sided Incomplete Information Games,” work in progress.
“Strategic Communication vs. Strategic Auditing in Asset Markets with Reputation Concerns,” work in progress.
“Optimality of Linear Contracts in Continuous-time Principal-Agent Problems with Collusion,” work in progress.
“Teamwork vs. Collusion,” joint with Mehmet Barlo, work in progress.

Presentations

- “Incentives under Collusion in a Two-Agent Hidden-Action Model of a Financial Enterprise,” at Murat Sertel 2nd Student Festival, Bogazici University, December 2004.

Computer Skills

Mathematica, Matlab

Languages

Turkish (native), English (fluent)

Dissertation Abstract

“Reputation Effects in Two-Sided Incomplete Information Games”

We study reputation effects in a class of games with imperfect public monitoring and two long-lived players, both of whom have private information about their own type and uncertainty over the type of the other player. This class of games captures a wide range economic interactions between two parties that involve hidden-information (e.g. between a regulator and a regulatee) or hidden-action (e.g. between an employer and an employee). In both games, one party (principals) prefer that the other party (agents) play in a certain way and use costly auditing to enforce this behavior. Principals aim to establish a reputation for being diligent; whereas the agents want to build a reputation for being virtuous. Extending the techniques of Cripps, Mailath, and Samuelson (2004), we find that neither player can sustain a reputation for playing a strategy that is not an equilibrium of the game without uncertainty over types. Hence, in this class, the true types of both players will be revealed and the asymmetric information about the types of players does not affect equilibrium analysis in the long-run.

“Strategic Communication vs. Strategic Auditing in Asset Markets with Reputation Concerns”

This paper studies how private information is used to manipulate asset markets by a strategic trader (insider) through false messages, in the presence of a strategic receiver (regulator), who aims to deter manipulation of information using costly auditing. Specifically, Player 1 (insider) has noisy private information about the value of an asset and is able to manipulate asset prices by sending false messages regarding that information. There is a strategic receiver of this information who aims to deter manipulation of information using costly random-auditing. The magnitude of the insider's cost of lying is governed by the auditing strategy of the regulator. The Insider may be one of two types: honest or strategic. An honest type always sends the true message, whereas a strategic insider maximizes expected payoffs. Similarly, the regulator may be two types: tough or strategic. A tough regulator always chooses high auditing whereas a strategic regulator maximizes expected payoffs. The fact that the private information of the insider is imperfect and the auditing by the regulator is random prevents players from learning each other's types. We analyze the set of equilibria depending on the parameters of the model in (1) the one-shot game; (2) the two-period game to understand how reputation concerns affect the intertemporal incentives of players; and (3) the infinitely-repeated game to understand long-run equilibrium behavior.

“Optimality of Linear Contracts in Continuous-time Principal-Agent Problems with Collusion”

This study analyzes a continuous-time two-agent hidden-action model with exponential utility, where there is strategic interaction and the possibility of communication amongst the agents. In order to give a theoretical justification for the use of linear contracts, we extend the model provided by Sung (1995) into which this communication possibility is incorporated. In this continuous-time repeated agency problem, where the agents' actions jointly determine the mean and the variance of the outcome process, we prove that there exists an optimal compensation scheme for each agent that is linear in the output.