



***“Bubbles and Experience: An Experiment
with Steady Inflow of Inexperienced Traders”
(in English)***



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Abstract

This paper aims to revisit the effect of experience on bubble formation and try to reconcile the contrasting findings from the experimental and field studies. In particular, we adopt an experimental design that introduces steady inflow of inexperienced trader in the repeatedly operated asset markets. We find that, in the setting with the continuous inflow of new investors, bubbles are not substantially abated, and that there are no significant differences across the sequence of the markets, comparing to the treatment that only introduces new investors in the last asset market. Thus, our findings support the conjecture in Xiong and Yu (2011, AER), that is, the inflow of new investors plays a role in understanding the prolonged asset bubbles.

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Time: 3:30pm – 5:00pm

Venue: SO102, Dorothy Y. L. Wong Building

Biography

Dr. Jipeng Zhang joined the faculty of Nanyang Technological University in 2011. His research interests are in the areas of public economics, industrial organization and experimental economics. Dr. Zhang holds B.A. and M.A. from Fudan University, and Ph.D from University of Pittsburgh. He has published several articles on top economics journals in both China and U.S., including International Economic Review.

All are welcome