

# Contents

<b>List of Tables</b>	<b>iii</b>
<b>List of Figures</b>	<b>v</b>
<b>List of Abbreviations</b>	<b>vii</b>
<b>Preface</b>	<b>ix</b>
<b>1 Single versus multiple randomization in matching mechanisms</b>	<b>1</b>
1.1 Introduction . . . . .	1
1.2 Theoretical framework . . . . .	3
1.2.1 Deferred acceptance algorithm with randomization . . . . .	3
1.2.2 Properties of the deferred acceptance algorithm with randomization . . . . .	4
1.2.3 Efficiency in the experiment . . . . .	5
1.2.4 Preference for multiple randomization . . . . .	7
1.2.5 Predictions . . . . .	10
1.3 Experimental design . . . . .	11
1.3.1 Environment . . . . .	12
1.3.2 Setup . . . . .	12
1.3.3 Procedure . . . . .	13
1.4 Results . . . . .	14
1.4.1 Preferences for random procedures . . . . .	14
1.4.2 Truthful preference revelation . . . . .	15
1.4.3 Matching outcome distributions . . . . .	16
1.4.4 Welfare . . . . .	17
1.4.5 Mechanism behind the preference for multiple randomization . . . . .	17
1.5 Discussion and conclusion . . . . .	19
Appendix 1.A Tables and figures . . . . .	21
Appendix 1.B Proof of Proposition 2 . . . . .	22
Appendix 1.C Instructions . . . . .	23

<b>2</b>	<b>Strategy-proofness of stochastic assignment mechanisms</b>	<b>31</b>
2.1	Introduction . . . . .	31
2.2	Theoretical framework and mechanisms . . . . .	34
2.2.1	Simultaneous random serial dictatorship (SP-RSD) . . . . .	35
2.2.2	Sequential random serial dictatorship (OSP-RSD) . . . . .	35
2.2.3	Top trading cycles with random endowments (TTC) . . . . .	36
2.2.4	Pareto efficiency in the experiment . . . . .	37
2.2.5	Predictions . . . . .	38
2.3	Experimental design . . . . .	38
2.4	Results . . . . .	41
2.4.1	Dominant strategy play . . . . .	41
2.4.2	Misrepresentation strategies . . . . .	42
2.4.3	Efficiency . . . . .	43
2.4.4	Behavioral mechanisms . . . . .	44
2.5	Discussion and conclusion . . . . .	46
	Appendix 2.A Figures . . . . .	49
	Appendix 2.B Instructions . . . . .	50
<b>3</b>	<b>Disclosure, distracted attention, and investor behavior</b>	<b>59</b>
3.1	Introduction . . . . .	59
3.2	Theoretical Bayesian framework . . . . .	62
3.2.1	Setup . . . . .	62
3.2.2	Optimal portfolio choice . . . . .	63
3.2.3	Information signal . . . . .	64
3.2.4	Behavioral assumptions . . . . .	64
3.2.5	Experimental hypotheses . . . . .	66
3.3	Experimental design . . . . .	67
3.3.1	Part 1: Expectation elicitation . . . . .	68
3.3.2	Part 2: Investment decision . . . . .	69
3.3.3	Procedures . . . . .	69
3.4	Results . . . . .	70
3.4.1	Investment . . . . .	70
3.4.2	Investment and familiarity . . . . .	72
3.4.3	Expectations . . . . .	73
3.4.4	Expected value and familiarity . . . . .	73
3.4.5	Mechanism . . . . .	74
3.5	Discussion and conclusion . . . . .	75
	Appendix 3.A Tables and figures . . . . .	77
	Appendix 3.B Questionnaire . . . . .	78
	Appendix 3.C Treatments . . . . .	79
	Appendix 3.D Instructions . . . . .	88
	<b>References</b>	<b>95</b>