

Summary

Nobel Prize Winners – 2012: Lloyd S. Shapley and Alvin E. Roth

Aleskerov F.T., Kiselgof S.G.

The article gives brief view about the achievements of Lloyd Shapley and Alvin Roth, who have been awarded in 2012 the Nobel Prize in Economics «for the theory of stable allocations and the practice of market design». After the winners' short biography we discuss the main results of their work. The first part addresses Gale and Shapley pioneering paper, in which they were the first to consider the problem of an equilibrium in a two-sided market without money-transfers: this result became the basis for an important part of economics – the matching theory. After that the most important Roth's theoretical results on Gale and Shapley model are discussed. Finally, several modifications of the classical model, made by Roth and his coauthors, are reviewed, those modifications provided theoretical basis for analysis of real world matching markets.

Key words: matchings; college admission problem; kidney exchange.

Credit Spreads Oscillations

Smirnov A.D.

A simple model is used to study behavior of a money market. The latter is viewed as an activity of investors placing orders to buy or to sell, and market-makers assigning prices to credit products. Under the assumption of a random fluctuation of demand and supply the credit market demonstrates some features of disequilibrium in its «physical» aspect. In terms of liquidity the persistent nonzero bid-ask spreads form the credit market compensatory effects. Thus the spreads dynamics are of the phase-locked (quasi)periodic nature, and in the high-frequency domain it could be studied as a non-uniform oscillator.

Key words: credit; money market; bid-ask spread; nonuniform oscillator.

Scarcity and Welfare: The Case of Water Resources

Friedman A.A.

The welfare gain from the tariffs that reflect water resource scarcity is analyzed. The empirical results of the welfare gain from the efficient management of groundwater extrac-

tion relative to myopic policy are summarized. It is shown that efficiency gain increases when the backstop resource becomes more expensive but changes ambiguously with an increase in the groundwater stock or discount rate that make estimates for different aquifers hardly comparable. Numerical analysis demonstrates that differentiated tariffs that reflect differences in water consumption patterns may bring substantial welfare gain.

Key words: : welfare; scarcity; water resources.

Russian Cyclical Indicators and Their Usefulness in «Real Time»: an Experience of the 2008–2009 Recession

Smirnov S.V.

For years anyone interested in Russia had access to a full set of common tools for business cycle analysis: several versions of Composite Leading Index, a Purchasing Managers' Index, Enterprise and Consumer Sentiment Indexes, etc. However the 2008–2009 world crisis has spread throughout Russia quite unexpectedly for most politicians, businessmen and experts alike. Is it possible that none of existing indexes were able to say anything about the approaching decline? In reality this is not the case. So then why did a more or less definite forecast provided by some indexes have no consequences for common economic sentiments in Russia? The paper gives some answers for this question.

Key words: recession; growth cycles; business cycle; cyclical indicators; leading indicators; turning points; Russia.

Liquidity Dynamics on Initial Public Offerings Market

Vdovychenko A.N.

In this paper the author examines the impact specifics of underwriter's support on the liquidity of IPO market. It is hypothesized that the activities of underwriter will have the greatest impact on liquidity for the market of so-called «tepid» offerings. To confirm the hypothesis dynamics of changes in IPO market liquidity for different offering types was measured. As a measure of liquidity the author used market depth, which was estimated with applying of a linear regression model. The derived results allow to confirm the hypothesis and to determine the approximate period of increasing transaction cost for traders on the market of initial public offerings. At the end of the article the author points out factors to be considered for further research and refinement of the already obtained results.

Key words: IPO; liquidity; market depth; underwriter.