PAPER REQUIREMENT

A major requirement for the class is a term paper, which is due without exceptions on Monday of the 10th Week of the course. The goal of the project is to use the ideas from the class, or economics tools from your other classes, to describe and analyze a real-world market or allocation problem.

You may (and are encouraged to) organize in teams of up to 7 students to turn in one project.

Please submit a short proposal by Monday of the 5th Week of the course; you’re welcome to submit it earlier, and/or start talking to Omer Ali and/or me about what you want to do earlier. The proposal is not graded but it gives you a chance for you to get feedback on what you plan to do. It also encourages you to start thinking about the paper early in the quarter, and to keep your eyes open for questions and ideas. Also, if you decide to present your work during Lab Conference, we would like to see a proposal before we schedule your presentation.

THE PROPOSAL

This can be short, 2 or 3 pages. It should explain clearly the market you are planning to write about, the questions you want to answer, and what you expect to learn or argue. If you plan to focus on empirical questions, you might want to tell us how you will get the required data. If you plan to provide a theoretical analysis you might want to tell us something about the model you plan to use.

Example: You have decided to write about eBay, and its transition from relying on auctions to using mostly posted prices ("buy it now"). You are planning to explain why auctions make sense for products that are unique or hard to find elsewhere, but make less sense for widely available products. You are then going to argue that the way eBay's platform is organized (non-standardized postings along the lines of Craigslist with search results ordered by auction ending date) isn't very sensible if they're going to sell a lot of standard items at posted prices, and that the organization of their market can be improved.

The proposal should explain the market (eBay) and what it's about (online platform for selling stuff), what the questions are (what trade-offs are involved in using auctions versus posted prices and what decisions go along with the choice of pricing?), and what you expect to argue (auctions make sense for some things but not others and if you are selling a lot standard products at fixed prices, it would make more sense to organize your site like Amazon than like Craigslist).

A good proposal would flesh this out a bit. It would have a sketch of a model if you planned to argue this theoretically. If you plan to make your case empirically, it would explain that you're going to collect some data from the web or eBay's annual reports as support (and how you might support it).
THE PAPER
A good paper will clearly explain the market, which aspect you think merits analysis and why. It will then go ahead and provide the analysis. On the class website I have posted two examples of excellent class papers from past years.

A typical paper would have 8-12 pages. While it is difficult to cover the required ground in fewer pages, please feel under no obligation to meet the page limit if you feel you can make your point cohesively in less. Please also feel free to use more pages if your analysis requires it. The number of pages will have no direct impact on your score.

FINDING A TOPIC

You should start thinking about topics early in the quarter. You can write about something discussed in the class or explore something new. Please take into account that writing about something you know well makes it much easier for you to write a good paper. In the past instances I taught the class, papers based on personal experience of some market (such as sorority rush, UCLA class enrollment system, the market for models, college entrance exam in your home country, or a startup auction site run by UCLA undergraduates) typically were among the best papers submitted. Similarly, all papers based on long-hold interests (e.g. on organization of sport competitions) or other access to information (e.g. kidney transplants) were among the best papers. Of course, writing about something you know well, or care about, is not a guarantee of writing a good paper, and we do not give you bonus points just for doing it. In the past some students wrote excellent papers on markets they had no privileged information about (for instance on priceline, yelp, or the ticket resale industry), however others struggled to say something interesting about such markets.

A good source of inspiration is the blog run by Peter Coles and Al Roth (also recommended on the 106D syllabus): http://marketdesigner.blogspot.com/
They regularly discuss interesting market design problems.