

PROPOSAL: PRICES AND VOLUME OF TRADE IN EUROPEAN CAR MARKETS.

**Alessandro Gavazza, Assistant Professor of Economics
Yale School of Management**

Car markets in the UK and France show two striking differences: 1) the volume of trade in used cars is substantially higher in the UK. 30% of the stock of existing cars is traded every year in the UK, while in France only 16% of cars turns over; 2) prices of new cars are substantially higher in the UK.

This project uses data from UK and France to investigate the causes of these differences. In particular, the project aims at quantifying the effects of differences in income distributions and transaction costs between UK and France on the observed patterns of trade and prices.

The student will help organize the data and perform some statistical analysis. Knowledge of Excel is a must. Knowledge of STATA is a great plus.

The student will learn how to use large data sets, how to work with statistical software packages, and how to apply statistical techniques to an economic problem.