

**PROPOSAL: INCOME HETEROGENEITY AND TRADE IN USED GOODS:
EVIDENCE FROM EUROPEAN CAR MARKETS**

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The fraction of cars traded in secondary markets varies widely across different European countries. In the United Kingdom, approximately 30% of the stock of existing cars is traded every year; in Germany approximately 16%; in Italy only 8%. This project uses data from different European markets to investigate the causes of these differences. In particular, the project aims at quantifying the effect that observed differences in income distribution play in explaining the differences in volume of trade across countries.

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