

September 26th, 2016

KAP 414

2:00 P.M. – 3:00 P.M.

Professor Yu-Jui Huang

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“Time-Inconsistent Stopping Problems”

Abstract: We present a stopping problem as an inter-temporal game among a continuum of non-cooperative players. We look for equilibrium stopping policies, which are formulated as fixed points of an operator. Under appropriate conditions, fixed-point iterations converge to equilibrium stopping policies, which in particular provides an explicit connection between optimal stopping times in classical stopping literature (naive behavior) and equilibrium stopping policies under current game-theoretic setting (sophisticated behavior). Our theory is illustrated with stopping problems under probability distortion and non-exponential discounting.

This is a joint work with Adrien Nguyen-Huu and Xunyu Zhou.