

## WENDY XU

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### EDUCATION

Ph.D. Economics, Boston University, Boston MA, 2020 (expected)

M.A., International Economics and Finance, Brandeis University, Waltham, MA, 2013

B.A., Economics and Finance, Sun Yat-sen University, Guangzhou, China, 2011

### FIELDS OF INTEREST

Applied Microeconomic Theory, Behavioral Economics, Organizational Economics

### PUBLICATIONS

"You Get What You Give: Theory and Evidence of Reciprocity in the Sharing Economy," (with Davide Proserpio and Georgios Zervas) *Quantitative Marketing and Economics*, (2018) 16:371

### WORKING PAPERS

"Error Costs, Ratio Tests, and Patent Antitrust Law" (with Keith N. Hylton) (April, 2019)

"Optimal Contracts against Personal Agenda"

### CONFERENCES AND PRESENTATIONS

Quantitative Marketing and Economics Conference, Kellogg School of Management, Northwestern University, Evanston, IL, 2016

Digital Marketing Conference, Stanford University, Stanford, CA, 2016

### FELLOWSHIPS AND AWARDS

Teaching Fellowship, Boston University, 2015-2018

Dean's Fellow, Boston University, 2015-2018

Research Fellowship, Rosenberg Institute of Global Finance, Brandeis University, 2012

### TEACHING EXPERIENCE

Teaching Assistant, Intermediate Microeconomics, Department of Economics, Boston University, Spring 2015-2018

Teaching Assistant, Economics and Psychology, Department of Economics, Boston University, Summer 2015, Spring and Summer 2018

Teaching Assistant, Intermediate Macroeconomics, Department of Economics, Boston University, Fall 2014, Spring 2015

Teaching Assistant, Game Theory (Graduate level), Department of Economics, Boston University, Spring 2017

Teaching Fellow, Global Economic Environment (Graduate Level), International Business School and Department of Economics, Brandeis University, Waltham, 2012

**REFERENCES**

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**WENDY XU**

**You Get What You Give: Theory and Evidence of Reciprocity in the Sharing Economy** (with Davide Proserpio and Georgios Zervas)

We develop an analytical framework of peer interaction in the sharing economy that incorporates reciprocity, the tendency to increase (decrease) effort in response to others's increased (decreased) effort. In our model, buyers (sellers) can induce sellers (buyers) to exert more effort by behaving well themselves. We demonstrate that this joint increased effort can improve the utility of both parties and influence the market equilibrium. We also show that bilateral reputation systems, which allow both buyers and sellers to review each other, are more responsive to reciprocity than unilateral reputation systems. By rewarding reciprocal behavior, bilateral reputation systems generate trust among strangers and informally regulate their behavior. We test the predictions of our model using data from Airbnb, a popular peer-to-peer accommodation platform. We show that Airbnb hosts that are more reciprocal receive higher ratings, and that higher rated hosts can increase their prices. Therefore, reciprocity affects equilibrium prices on Airbnb through its impact on ratings, as predicted by our analytical framework.

**Error Costs, Ratio Tests, and Patent Antitrust Law** (with Keith N. Hylton) (April, 2019)

This paper examines the welfare tradeoff between patent and antitrust law. Since patent and antitrust law have contradictory goals, the question that naturally arises is how one should choose between the two in instances where there is a conflict. One sensible approach to choosing between two legal standards, or between proof standards with respect to evidence, is to consider the relative costs of errors. The approach in this paper is to consider the ratio of false positives to false negatives in patent antitrust. We find that the relevant error cost ratio for patent antitrust is the proportion of the sum of the monopoly profit and residual consumer surplus to the deadweight loss. This error cost ratio, for a wide range of deterministic demand functions, ranges from infinity to a low of roughly three. This suggests that patent antitrust law should err on the side of protecting innovation incentives.