

INTRODUCTORY ESSAY

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I entered the Ph.D. Program at Stanford Business School in 1981 with the intention of doing research in mathematical programming. But within a few months my interests changed. The turning point was Bob Wilson's Ph.D. course titled "Multi-person Decision Theory." In this class we read papers, mostly recent working papers, in the area of the economics of incentives and information. Bob would explain, what to me was difficult material, with the light touch that comes from a deep understanding, laying bare the essentials of each paper and pointing out links to the literature. I realized that a complex subject could be understood with the help of a few underlying insights. This was fascinating stuff. Like most graduate students interested in microeconomics, I took Bob's course in each of the four years I was at Stanford. This regimen was supplemented by a readings course that Meg Meyer and I attended. At the end of my first year at Stanford, I asked Bob if he would direct my research; fortunately he agreed.

The business school had a small, high quality Ph.D. Program (as it continues to till today) and students had easy access to faculty. Bob was the director of the Doctoral Program at that time. This was only fitting as much of the reputation of the Doctoral Program was based on outstanding Bob Wilson students from prior years.

This paper is essentially the first essay of my Ph.D. dissertation. The influence of Bob's work is obvious. In my first year at Stanford, I had read Bob's papers with David Kreps, John Roberts, and Paul Milgrom on the building and exploiting of reputations. I thought it might be worthwhile to investigate reputation effects in common value auctions, an auction model introduced by Bob in a couple of papers published in *Management Science* in the sixties. During the course of this research, I benefited immensely from Bob's boundless creativity and clarity of insight. My debt to him is enormous.