Research Philosophy

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When I was a kid many of my role models are great scientists. My understanding of their lives is naive: be smart and work hard, one day you can get a good idea and solve a few killer problems, which can be fun. What I was totally unaware of is many of them created problems before finding solutions.

In college, I read, listened and observed carefully, thinking about the possibility becoming a scholar. I gradually realized that genuine creativity is generally scarce since independent thinking is very difficult for an average person. This makes me admire great thinkers more. Finally, knowing that one can make a living and think independently by doing research, I decide to go for it. As a perfectionist, I conclude that, though ironic, the deepest appreciation of great thoughts is to question them sensibly and find plausible answers.

After working for two years, in 2001, I left the financial industry and entered the Economics PhD program. I had many questions regarding financial markets, particularly about how private information is transmitted and used. After a few years, I realized that many questions were actually answered, mainly by the theory of decision making under uncertainty and the economics of information. I enjoyed learning them. Meanwhile, I gradually feel that they are still restricted. My own research questions finally appear.

What happens if a decision maker does not have the right information, and she does not know that she is ignorant? This type of incomplete information, formally called unawareness, is hard to formulate in theory but fundamentally relevant. Although standard frameworks typically exclude unawareness for legitimate reasons, there are also many economic issues can not be well understood without incorporating unawareness, such as naive and uninformed consumers, patients, employees and investors. My dissertation analyzes unawareness in theory and in application, aiming to establish the link between this concept and standard frameworks.

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The major works include three working papers. In the first paper, I modify a classic example to demonstrate the difference between unawareness and imperfect information (impreciseness). This paper is currently under the second round of review. In the second paper, I link the interesting notion of cursed equilibrium with standard Bayesian equilibrium via players' partial awareness. In the third paper, I study an important stock market regulation on information disclosure. I show that unawareness has specific economic implication and it increases the explanation power of current theory on some particularly interesting empirical findings. I plan to submit the two papers to the best journals in the field.

While my current study focuses on unawareness and emphasizes the theoretic aspect, my broad interests include applying information economics and game theory in Finance, Accounting and Industrial Organization. I have strong interested in the behavioral aspects of the fields and I believe that no research can last without constantly checking with the reality. I am also collaborating with other researchers on the role of information in social security and health-care industry.