



**Lingnan** 嶺南大學  
University

**Department of Economics  
Seminar**

## **“False Advertising and Consumer Protection Policy” (in English)**

**Date: 19 January 2015 (Monday)**  
**Time: 4:30 pm - 6 pm**  
**Venue: WYL314, Dorothy Y. L. Wong Building**

**Professor Andrew Rhodes**  
**Assistant Professor**  
**Toulouse School of Economics**  
**France**



### **Abstract:**

Despite extensive evidence of its usage, there is little understanding of false advertising where firms overstate the value of their product. To analyse such advertising and the potential role for policy, we allow a price-setting monopolist to conduct false advertising to a set of fully rational consumers, subject to an expected punishment from an authority. For weak levels of punishment, low-quality types engage in equilibrium false advertising. We offer some formal conditions for the effects of policy on a variety of welfare measures under general consumer demand. Among many other results, we offer the surprising insight that policy may optimally permit positive levels of false advertising.

### **Biography:**

Prof. Rhodes is currently an Assistant Professor at the Toulouse School of Economics in France. Prior to that he was at Oxford, first as a PhD student, and then as a Postdoctoral Research Fellow.

**All Are Welcome**

**For enquiry:26167381(Grazie)**