

## **HKUST ECON Seminar**

28 April, 2026, 3:00 – 4:30 pm Tue LSK 6045

### **Bundling under Double-Crossing Preferences**

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(with Jihong Lee)

#### **Abstract:**

A monopolist sells two goods to a buyer with additive, type-increasing valuations. Moreover, the valuation for one good increases more convexly than for the other, implying a double-crossing property in the preferences for bundles. We characterize the optimal mechanism by extending the canonical Myersonian approach. Above a critical type, the allocations are monotone and maximal separation arises whenever stochastic bundles are used, while below this threshold, there is at most one interval where the quantities move in opposite directions, with maximal bunching. The screening structure depends on non-local incentive compatibility across the threshold, which is represented as a majorization constraint.