# Sequential lotteries

Nava Kahana [a,b] Doron Klunover [a,*]

January 2015

**Abstract**

In a sequential lottery contest with $n$ players the choice of a player equilibrium expenditure is equivalent to choosing aggregate equilibrium expenditure in the contest. Using that equivalence we prove that in that contest: 1. exist a unique subgame perfect equilibrium in pure strategies and equilibrium expenditures are homogenous in degree one in the value of the prize 2. Aggregate expenditure is monotonically increasing in $n$ but in the limit do not reach the value of the prize and in large contests, aggregate expenditure is lower than in a simultaneous lottery contest.

JEL classification numbers: C72, D43, L13.

[a] Department of Economics, Bar-Ilan University, 52900 Ramat-Gan, Israel

[b] IZA, Bonn

* Corresponding author: Doron.Kluhovrd@biu.ac.il