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| Subject/Title | A Game Theoretic Analysis of Property Rights by Theft |
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| Journal Title | Review of Social Sciences |
| Vol./Publishing Date | Vol.8 No.1 (2014/04) |
| Page(s) | 85-118 |
| Language | Chinese |
| Abstract | Modifying the settings of Rose (2010), this paper uses the game theoretic model to discuss whether a stolen good is applicable of bona fide acquisition system. We compare the total utilities among three systems: a rule of law where good faith is irrelevant, a rule where good faith may protect an innocent buyer, and the real regulation in Taiwan. It is shown that as the utility of the potential buyer with the ownership is much lower than that of the owner, a rule of law where good faith is irrelevant is the most efficient while as the utility of the potential buyer with the ownership is much higher than that of the owner, a rule where good faith may protect an innocent buyer is the most efficient. The regulation in Taiwan is not the best to the society and necessary for the government to amend. |
| Keyword(s) | Stolen Goods, Good Faith, Subgame Perfect Equilibrium. |