

**Zeppelin Universität**  
Corporate Management & Economics

**I Spy With My Little Eye Something That Starts  
With I**

**An Empirical Investigation of the Degree of Asymmetric Information for  
Different Financial Market Microstructures**

Bachelor Thesis

Name:	Maximilian Thur
Student's ID:	15102139
Program:	Corporate Management & Economics
Term:	Fall Term 2018
Examiner:	Prof. Dr. Franziska Julia Peter
Deadline:	28-11-2018

**General:** *What's your purpose?*  
**Zoidberg:** *Alright, officer, I'll move it along.*  
**Military Official:** *What the general means is, why did you come to Earth?*  
**Zoidberg:** *Not a day goes by I don't ask myself the same question*

## **Abstract**

This paper is concerned with the detection of differences in the degree of asymmetric information on financial markets of different forms regarding their microstructure. Financial market microstructure is a branch of economic research that focuses on the trading process rather than on the relation of supply and demand. This delimits this branch of research from other fields in financial economics. This paper provides an extensive introduction into information based market microstructure theory and translates the latter into econometric application.

Using this framework, the degree of asymmetric information is measured by the probability of informed trading estimated for different market places, namely New York Stock Exchange, NASDAQ and NYSE Arca. The results indicate, that on a general aggregated level no substantial differences are measurable. However, the division of the underlying data reveals economically significant differences in the degree of asymmetric information between large sized trades on NYSE and NASDAQ. The estimates show that the probability of informed trading is higher on NASDAQ. For the comparison of NASDAQ and NYSE Arca no differences are detected at all.