Package ‘SimEUCartelLaw’

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Type Package
Title Simulation of Legal Exemption System for European Cartel Law
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Description Monte Carlo simulations of a game-theoretic model for the legal exemption system of the European cartel law are implemented in order to estimate the (mean) deterrent effect of this system. The input and output parameters of the simulated cartel opportunities can be visualized by three-dimensional projections. A description of the model is given in Moritz et al. (2018) <doi:10.1515/bejeap-2017-0235>.
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R topics documented:

aggResults ................................................................. 2
corrStruct ............................................................... 3
CorrStudy ................................................................. 3
CorrStudySplit .......................................................... 4
LEgame ................................................................. 5
NoRglPlot ................................................................. 6
aggResults

Description

aggResults aggregates the results of LEgame.

Usage

aggResults(res)

Arguments

res dataframe containing results of simulation using LEgame.

Details

aggResults aggregates the results of LEgame to a matrix containing information about the fractions for the potential equilibria as well as the means and standard deviations of the error probabilities, the compliance level, and the expected illegal gains.

Value

A matrix containing the aggregated results.

Examples

Par <- list(Phi=c(0.1,0.5), Rho=c(0.5,0.9), Ksi=c(0.05,0.3), Chi=c(0.1,0.4), M=c(0.2,1.2), G=c(0.05,0.2), A=c(0.1,0.3))
res <- LEgame(params=Par, m=100000)
print(aggResults(res))
**corrStruct**

*Matrix containing the correlation structure*

**Description**

corrStruct contains the correlation structure of the input parameters.

**Usage**

corrStruct

**Format**

An object of class *matrix* with 7 rows and 7 columns.

**Details**

corrStruct contains the correlation structure of the input parameters. The actual correlation matrix used in the simulation is calculated as the corresponding identity matrix + r times this matrix.

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**CorrStudy**

*Investigate the effect of correlated input parameters*

**Description**

CorrStudy investigates the effect of correlated input parameters.

**Usage**

CorrStudy(params, m = 1e+05, rho = seq(0.1, 0.9, by = 0.2), QMC = FALSE, seed = 1)

**Arguments**

- **params**
  named list containing numeric vectors Phi, Rho, Chi, Ks, M, G and A with the ranges for the input parameters.
- **m**
  numeric scalar containing the number of Monte Carlo replications (for each correlation intensity). Defaults to 1e5.
- **rho**
  a numeric vector containing correlation intensities. Defaults to seq(0.1, 0.9, by = 0.2).
- **QMC**
  logical scalar. If TRUE, an equidistant grid is generated, if FALSE, uniformly distributed random numbers are simulated.
- **seed**
  numeric scalar containing the random seed for each simulation. Defaults to 1 in order to make results reproducible.
Details
CorrStudy performs repeated simulations via LEgame with different values for the correlation intensity in order to illustrate the effect of correlation on the deterrent effect of the legal exemption system.

Value
A matrix containing the results of the repeated simulations.

Examples
Par <- list(Phi=c(0.1,0.5), Rho=c(0.5,0.9), Ksi=c(0.05,0.3), Chi=c(0.1,0.4), M=c(0.2,1.2), G=c(0.05,0.2), A=c(0.1,0.3))
res <- CorrStudy(params=Par, m=10000)
print(res)

CorrStudySplit
Investigate the effect of correlated input parameters depending on illegal gain

Description
CorrStudySplit investigates the effect of correlated input parameters and its dependence on the illegal gain A.

Usage
CorrStudySplit(params, m = 1e+05, rho = seq(0.1, 0.9, by = 0.2), breaks = seq(0.1, 0.3, by = 0.04), QMC = FALSE, seed = 1)

Arguments
params named list containing numeric vectors Phi, Rho, Chi, Ksi, M, G and A with the ranges for the input parameters.
m numeric scalar containing the number of Monte Carlo replications (for each correlation intensity). Defaults to 1e5.
rho a numeric vector containing correlation intensities. Defaults to seq(0.1, 0.9, by=0.2).
breaks a numeric vector with breaks for the construction of the intervals for the illegal gain A. Defaults to seq(0.1, 0.3, by=0.04).
QMC logical scalar. If TRUE, an equidistant grid is generated, if FALSE, uniformly distributed random numbers are simulated.
seed numeric scalar containing the random seed for each simulation. Defaults to 1 in order to make results reproducible.
Details

CorrStudySplit performs repeated simulations via LEgame with different values for the correlation intensity and reports results for compliance and expected illegal gain for various subsets of simulated illegal gains A in order to further illustrate the effect of correlation on the deterrent effect of the legal exemption system.

Value

A matrix containing the results of the repeated simulations.

Examples

```r
Par <- list(Phi=c(0.1,0.5), Rho=c(0.5,0.9), Ksi=c(0.05,0.3), Chi=c(0.1,0.4),
             M=c(0.2,1.2), G=c(0.05,0.2), A=c(0.1,0.3))
res <- CorrStudySplit(params=Par, m=10000)
print(res)
```

---

**LEgame**

*Simulate the Legal Exemption Game*

**Description**

LEgame simulates the legal exemption game.

**Usage**

```r
LEgame(params, m = 1e+05, corrMat = diag(7), QMC = FALSE, seed = 1)
```

**Arguments**

- `params`: named list containing numeric vectors Phi, Rho, Chi, Ksi, M, G and A with the ranges for the input parameters.
- `m`: numeric scalar containing the number of Monte Carlo replications. Defaults to 1e5.
- `corrMat`: matrix containing the correlation matrix for the simulation. Defaults to a 7x7 identity matrix.
- `QMC`: logical scalar. If TRUE, an equidistant grid is generated, if FALSE, uniformly distributed random numbers are simulated.
- `seed`: numeric scalar containing the random seed for the simulation. Defaults to 1 in order to make results reproducible.

**Details**

LEgame simulates the deterrent effect of the European cartel law based on a game-theoretic model for the legal exemption system.
NoRglPlot

Value

A dataframe containing the realized output of the simulation.

Examples

```r
Par <- list(Phi=c(0.1,0.5), Rho=c(0.5,0.9), Ksi=c(0.05,0.3), Chi=c(0.1,0.4),
            M=c(0.2,1.2), G=c(0.05,0.2), A=c(0.1,0.3))
res <- LEgame(params=Par, m=100000)
print(aggResults(res))
```

NoRglPlot

Visualize results of simulation of legal exemption system

Description

NoRglPlot visualizes the results of the simulation of the legal exemption system using 3D-projections and corresponding 3D-plots.

Usage

```r
NoRglPlot(res, xvar = "rA", yvar = "rM", zvar = "c", xf = 1, yf = 1,
           zf = 1, pch = 16, phi = 20, theta = -30, d = 2)
```

Arguments

- `res` dataframe containing results of simulation using LEgame.
- `xvar` character scalar containing variable for the x-axis. Defaults to "rA", the simulated illegal gain.
- `yvar` character scalar containing variable for the y-axis. Defaults to "rM", the simulated fine.
- `zvar` character scalar containing variable for the z-axis. Defaults to "c", the compliance level.
- `xf` numeric scalar containing scaling constant for the x-axis. Defaults to 1.
- `yf` numeric scalar containing scaling constant for the y-axis. Defaults to 1.
- `zf` numeric scalar containing scaling constant for the z-axis. Defaults to 1.
- `pch` numeric or character scalar containing the plot character used for the individual points. Defaults to 16.
- `phi` numeric scalar containing the phi angle (colatitude) for the perspective in degrees. Defaults to 20.
- `theta` numeric scalar containing the theta angle (azimuthal direction) for the perspective in degrees. Defaults to -30.
- `d` numeric scalar for the strength of the perspective effect. Defaults to 2.
Details

NoRglPlot visualizes the results of the simulation of the legal exemption system using 3D-projections and corresponding plots without using rgl/GL.

Value

Nothing useful, function called for its side effects.

Examples

```r
Par <- list(Phi=c(0.1,0.5), Rho=c(0.5,0.9), Kxi=c(0.05,0.3), Chi=c(0.1,0.4),
            M=c(0.2,1.2), G=c(0.05,0.2), A=c(0.1,0.3))
NoRglPlot(LEgame(params=Par, m=10000))
```

RglPlot

Visualize results of simulation of legal exemption system

Description

RglPlot visualizes the results of the simulation of the legal exemption system using 3D-projections and corresponding 3D-plots.

Usage

```r
RglPlot(res, xvar = "rA", yvar = "rM", zvar = "c", xf = 1, yf = 1,
        zf = 1, userMatrix = rotationMatrix(1.3, -1, 0.28, 0.4),
        fov = 30, zoom = 0.95)
```

Arguments

- `res`: dataframe containing results of simulation using LEgame.
- `xvar`: character scalar containing variable for the x-axis. Defaults to "rA", the simulated illegal gain.
- `yvar`: character scalar containing variable for the y-axis. Defaults to "rM", the simulated fine.
- `zvar`: character scalar containing variable for the z-axis. Defaults to "c", the compliance level.
- `xf`: numeric scalar containing scaling constant for the x-axis. Defaults to 1.
- `yf`: numeric scalar containing scaling constant for the y-axis. Defaults to 1.
- `zf`: numeric scalar containing scaling constant for the z-axis. Defaults to 1.
- `userMatrix`: matrix containing information about the initial perspective used for the plot. Defaults to `rotationMatrix(1.3,-1,0.28,0.4)`.
- `fov`: numeric scalar containing the field-of-view angle in degrees. Defaults to 30.
- `zoom`: numeric scalar containing the zoom factor. Defaults to 0.95.
**Details**

RglPlot visualizes the results of the simulation of the legal exemption system using 3D-projections and corresponding 3D-plots using rgl/GL to produce real 3D plots which can be rotated or zoomed in/out by the user, even in browser windows via WebGL.

**Value**

Nothing useful, function called for its side effects.

**Examples**

```r
Par <- list(Phi=c(0.1,0.5), Rho=c(0.5,0.9), Ksi=c(0.05,0.3), Chi=c(0.1,0.4), M=c(0.2,1.2), G=c(0.05,0.2), A=c(0.1,0.3))
RglPlot(LEgame(params=Par, m=10000))
```

---

**SimEUCartelLaw**

*Simulation of Legal Exemption System for European Cartel Law*

**Description**

SimEUCartelLaw implements simulation methods for the legal exemption system for the European cartel law.

**Details**

SimEUCartelLaw implements Monte Carlo simulations of a game-theoretic model for the legal exemption system of the European cartel in order to estimate the (mean) deterrent effect of this system. The input and output parameters of the simulated cartel opportunities can be visualized by three-dimensional projections.

**Examples**

```r
Par <- list(Phi=c(0.1,0.5), Rho=c(0.5,0.9), Ksi=c(0.05,0.3), Chi=c(0.1,0.4), M=c(0.2,1.2), G=c(0.05,0.2), A=c(0.1,0.3))
res <- LEgame(params=Par, m=100000)
print(aggResults(res))
print(CorrStudy(params=Par, m=10000))
print(CorrStudySplit(params=Par, m=10000))
RglPlot(LEgame(params=Par, m=10000))
NoRglPlot(LEgame(params=Par, m=10000))
```
Index

* datasets
  corrStruct, 3
  aggResults, 2
  corrStruct, 3
  CorrStudy, 3
  CorrStudySplit, 4
  LEgame, 5
  NoRglPlot, 6
  RglPlot, 7
  SimEUCartelLaw, 8
  SimEUCartelLaw-package
    (SimEUCartelLaw), 8