This thesis studies markets where trades between buyers and sellers are impaired by meeting frictions such as imperfect information (buyers need to search for sellers), or coordination problems (workers do not observe to which jobs other workers apply). I model meeting frictions in a new and very general way and show how they interact with the optimal selling mechanism. The thesis offers an explanation why in some markets we observe that sellers use auctions while in other markets we observe price posting. Despite of frictions and asymmetric information, decentralized markets can under certain conditions deliver social efficient outcomes.

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