Homework 14: Chapter 14

Reading: Chapter 14

Book Exercises: 14.4, 14.5 (Solutions)

Other Exercises:

1. Suppose there are three bidders with bids a, b, c. Prove: If the winning bidder A is an average bidder, then $q = \frac{1}{3}$.

2. Is every equitable compensation arrangement envy-free? (Check some examples to help formulate your answer).

3. If the answer to Question 2 is yes: prove it. If the answer to Question 2 is no: Can you find an equitable compensation arrangement which *is* envy-free?