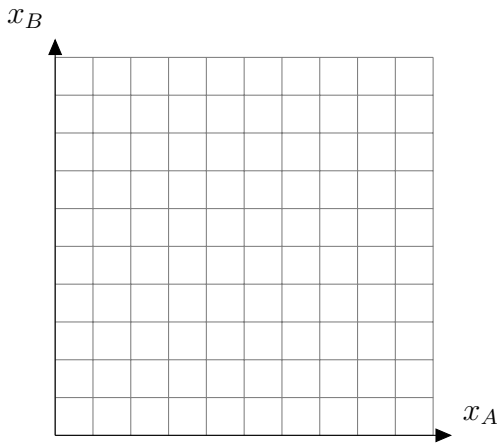
Quiz 10

The kids A, B, and C submit bids $\boxed{a = 18 \qquad b = 9 \qquad c = 15}$ for Dad's vintage bike.

1. Suppose C is the winning bidder. In the (x_A, x_B)-plane: Shade the region representing all compensation arrangements fair to BOTH B and C. Label your graph!!! (3 pts)



2. Suppose C is the winning bidder and the compensation amounts are $\boxed{x_A = 8 \qquad x_B = 4}$.

   (a) (2 pts) Compute the payout to the winner, C, given these compensation amounts:

   $$x_C = \_\_\_\_\_$$

   (b) (1 pt) Is this compensation arrangement fair? Circle One: Yes No

   (c) (1 pt) Define an equitable compensation arrangement for this example (with $N = 3$ and bids as above).

   (d) (3 pts) Is this compensation arrangement equitable? Explain. Show all work.
   Circle One: Yes No
   Explain.

PLEASE WRITE YOUR NAME ON THE BOTTOM OF THIS PAGE

Name: _____