Quiz 8

An ancient relic has been donated to the museums of Boston - the MFA (A), ICA (B), and Mass MoCA (C) have asked a referee to make a compensation arrangement. They submits their bids for the relic:

$$a = 330,000 \qquad b = 240,000 \qquad c = 300,000$$

1. (3 pts) What are the fair shares?

   A:

   B:

   C:

2. (1 pt) What is the average bid? $\qquad\qquad\qquad\qquad m = \underline{\hspace{2cm}}$

3. (1 pt) If B is chosen as the winner, is a fair compensation arrangement possible?
   <u>Circle One</u>:   Yes   No

4. Suppose C is chosen as the winner and the compensation amounts are

$$x_A = 100,000 \qquad\qquad\qquad x_B = 90,000$$

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

   $$x_C = \underline{\hspace{3cm}}$$

   (b) (1 pt) Is this compensation arrangement fair to A?
      <u>Circle One</u>:   Yes   No

   (c) (1 pt) Is this compensation arrangement fair to C?
      <u>Circle One</u>:   Yes   No

   (d) (1 pt) What does A think C gets? $\underline{\hspace{3cm}}$
      (Show work for partial credit)