

WORKSHEET ON ALLOCATING DISCRETE GOODS

PROBLEM ONE-ABABA and ABBAB

There are five items I_1, I_2, I_3, I_4, I_5 .

a) Give valuations so that if they do *ABABA* they both have the same number of points and that number is ≥ 60 . What happens with that valuation if *ABBAB* was used?

b) Give valuations so that if they do *ABBAA* they both have the same number of points and that number is ≥ 60 . What happens with that valuation if *ABABA* was used?

PROBLEM TWO- Adjusted Winner

1) Give your valuation for the following items.

Cryptography Book written by Larry Washington and signed by him, (C)
\$200.00 (M)

A Signed Picture of you with Taylor Swift (P)

The complete set of Weird Al Yankovich CD's and video. (W)

A rifle owned by your great grandfather that he used in World War I (R)

2) You and someone sitting next to you: do the AW protocol with your different valuations. Discuss if you find the final result fair.

3) Look at your neighbors valuation. Assume you knew this ahead of time. Can you use it to give incorrect answers for your valuation such that you end up with more points (using your correct answers) than you would if you were honest.