Answers without explanation

2004 Fall 3. An Auction

\[ B(s_i) = \frac{7}{6}s_i \quad \text{for all } i \]

2004 Fall 4. Arbitration

(a) No.

(b) -$30,000

(c) -$27,272.7\cdots with

probability for the Mary with a good record to go to trial = \frac{10}{11}

probability for the Mary with a bad record to go to trial = 0

money transfer from the Mary with a good record to John = 0

money transfer from the Mary with a bad record to John = $\frac{90,000}{11}$