**Electronic Commerce Models HW2**

1)

a) computer the v.v function

b) Verify that the virtual value function is monotone non-decreasing

c)

Because

2)

a) One item single player for a where the reserve price is

b) One item single player for b where the reserve price is

c)

1.4.2)

To prove that is strategy proof we need to prove

Monotonicity – if you have higher value you still get the item.

threshold payment – each player have a R/k payment he will have to pay.