

## 1 Two-sided Matching

3 young men ( $m_1, m_2, m_3$ ) and 3 young women ( $w_1, w_2, w_3$ ) have been assigned to a blind date group. They need to decide whom they want to date with. Basically, each man or woman has a preference over women and men. Their preferences are listed below.

$\succ_{m_1}: w_2 \succ w_1 \succ w_3$	$\succ_{w_1}: m_1 \succ m_3 \succ m_2$
$\succ_{m_2}: w_1 \succ w_3 \succ w_2$	$\succ_{w_2}: m_3 \succ m_1 \succ m_2$
$\succ_{m_3}: w_1 \succ w_2 \succ w_3$	$\succ_{w_3}: m_1 \succ m_3 \succ m_2$

### 1.1 Deferred Acceptance (2pt)

Compute the result of man-proposing and woman-proposing deferred acceptance (using  $(m_i, w_j)$  to represent a matching pair).

### 1.2 Stable Matching (2pt)

Whether the two matching results in 1.1 are stable? Why? Write down all stable matching results.

### 1.3 Truthfulness (2pt)

In man-proposing and woman-proposing deferred acceptance, whether one of them (three men and three women) can be matched to a better person by misreporting his/her preference? Why?

## 2 Double Auction(2pt)

Consider a double auction where each seller sells one item and each buyer gets at most one item. All the items are identical. Suppose the sellers' asks are (2, 3, 5, 9, 15, 17) and the buyers' bids are (7, 9, 12, 17, 19, 20). Compute the social welfare of the allocations generated by VCG and McAfee's mechanisms respectively.