TABLE 4

SIMULATED OUTCOMES WITH ALTERNATIVE RESERVE PRICES

	Reserve Price					
	p_L		$(p_L + p_U)/2$		p_U	
	Distribution of Valuations					
	F_L	F_U	F_L	F_U	F_L	F_U
Reserve price when v_0 = \$20	62.40		86.02		109.65	
Change in profit	6.96	−2.78	6.67	−2.74	1.74	−18.57
Pr(no bids)	.00	.02	.07	.12	.19	.41
Reserve price when v_0 = \$40	74.93		92.29		109.65	
Change in profit	7.64	−.61	7.61	−1.14	6.30	−10.04
Pr(no bids)	.03	.05	.11	.18	.19	.41
Reserve price when v_0 = \$60	85.67		103.39		121.11	
Change in profit	9.23	1.92	12.04	3.14	7.21	−6.05
Pr(no bids)	.07	.12	.15	.28	.35	.58
Reserve price when v_0 = \$80	98.20		112.34		126.48	
Change in profit	13.65	7.63	15.03	6.82	10.44	.96
Pr(no bids)	.13	.24	.28	.46	.46	.72
Reserve price when v_0 = \$100	111.09		122.54		134.00	
Change in profit	20.09	15.94	21.65	16.87	17.00	14.30
Pr(no bids)	.28	.45	.45	.60	.67	.80
Reserve price when v_0 = \$120	144.74		156.01		167.29	
Change in profit	32.06	31.31	33.72	31.64	31.56	28.87
Pr(no bids)	.84	.86	.84	.89	.88	.97

NOTE.—Profit and reserve price figures are given in 1983 dollars per MBF. See text for additional details.