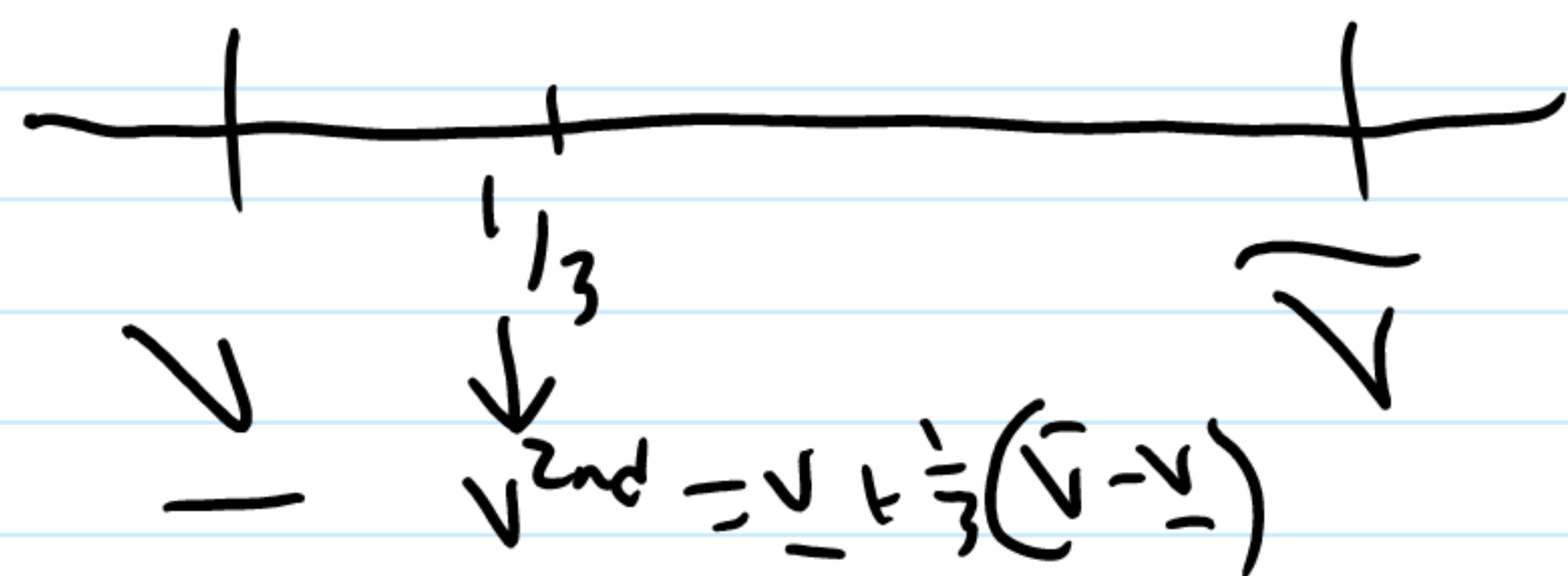


English Auction - First Price open bid

Highest value bidder wins by bidding 2nd highest value



$$V^H - V^L \rightarrow p = V^L$$

Second Price Auction (sealed bid)

High bid wins + pays 2nd highest

$$\frac{\text{Prob}(b_1 > b_2)(v_1 - b_2)}{\text{Prob}(v_1 > v_2)(v_1 - v_2)} \quad \text{weakly dom to bid } v_1$$

Revenue Equivalence \rightarrow sellers make the same