



## E-Business

### Assignment- Week 12

#### TYPE OF QUESTION: MCQ/MSQ

Number of questions: 10

Total mark: 10 X 2 = 20

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#### **QUESTION 1:**

Maximization of social surplus in the context of efficient auction is about \_\_\_\_\_?

- a. Minimizing buyer's cost
- b. Maximizing the welfare of the entire system
- c. Maximizing Seller's profit
- d. Conducting auction for public goods

**Correct Answer: b**

**Explanation: Slide 7 to 9**

#### **QUESTION 2:**

All the bidders in a coal mine auction have the same knowledge about the market potential of the mine. It is an example of

- a. Common value model
- b. Private value model
- c. Interdependent Value Models
- d. Primary value model

**Correct Answer: a**

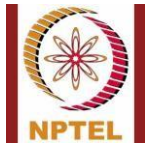
**Explanation: Slide 13**

#### **QUESTION 3:**

English auctions are an example of

- a. Common value model
- b. Interdependent value model
- c. Iterative value model
- d. Multiple value model

**Correct Answer: b**



**Explanation: Slide 17-18**

**QUESTION 4:**

Bidding Strategy in second price auction ensures: a.  
Efficiency

- b. Truthfulness of the bidders
- c. The item goes to the buyer, who values it most.
- d. All of the above

**Correct Answer: d**

**Explanation: Slide 11**

**QUESTION 5:**

As revenue equivalence theorem first price, second price and English auctions generate the same revenue under which of the following conditions?

- a. Bidder's values are independent and identical random variables
- b. Bidders are risk neutral
- c. They show no collusion or predatory behavior
- d. All of the above

**e. Correct Answer: d Explanation: Slide 10**

**QUESTION 6:**

Incentive compatible direct mechanism ensures

- a. Social welfare
- b. Maximum profit
- c. Truthful bidding
- d. Collusion

**Correct Answer: c**

**Explanation: Slide 12**

**QUESTION 7:**

In a double auction the market price is determined from \_\_\_\_\_

- a. Arranging the ask prices of all the buyers in increasing order and choosing the median
- b. The intersection of demand and supply curve generated from bid and ask prices
- c. Mean price of both demand and supply units in the market.



- d. Median values of both ask and bid prices of both buyers and sellers

**Correct Answer: b**

**Explanation: Slide 32**

**QUESTION 8:**

A single-unit and single-item forward auction is an integer programming problem, but can be solved as a

- a. Searching problem
- b. Sorting problem
- c. Linear programming problem
- d. Combinatorial optimization problem

**Correct Answer: b**

**Explanation: Slide 23**

**QUESTION 9:**

The bid for a volume discount auction consists of a

- a. Quantity schedule
- b. Price schedule
- c. Bid schedule
- d. Auction schedule

**Correct Answer: b**

**Explanation: Slide 25**

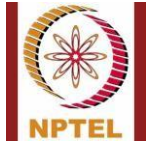
**QUESTION 10:**

If a perpetrator buys items from an online merchant using stolen credit card number and then sells them to unsuspecting buyers, the fraud committed is called

- a. Triangulation
- b. Fee stacking
- c. Selling of black-market goods
- d. misrepresentation of the items

**Correct Answer: a**

**Explanation: Slide 40**



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