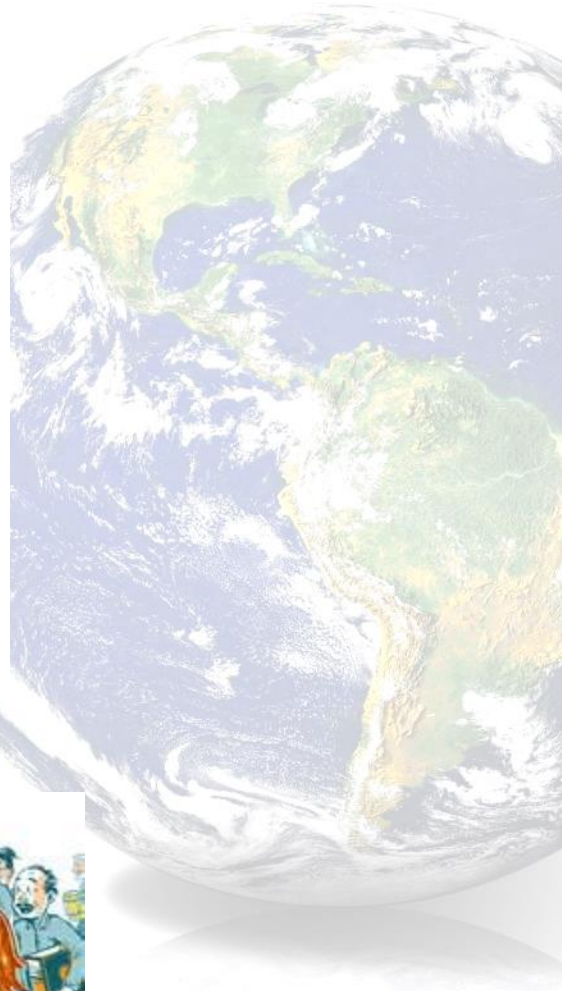


Arguments for BARTER



Auction

AUCTION TODAY

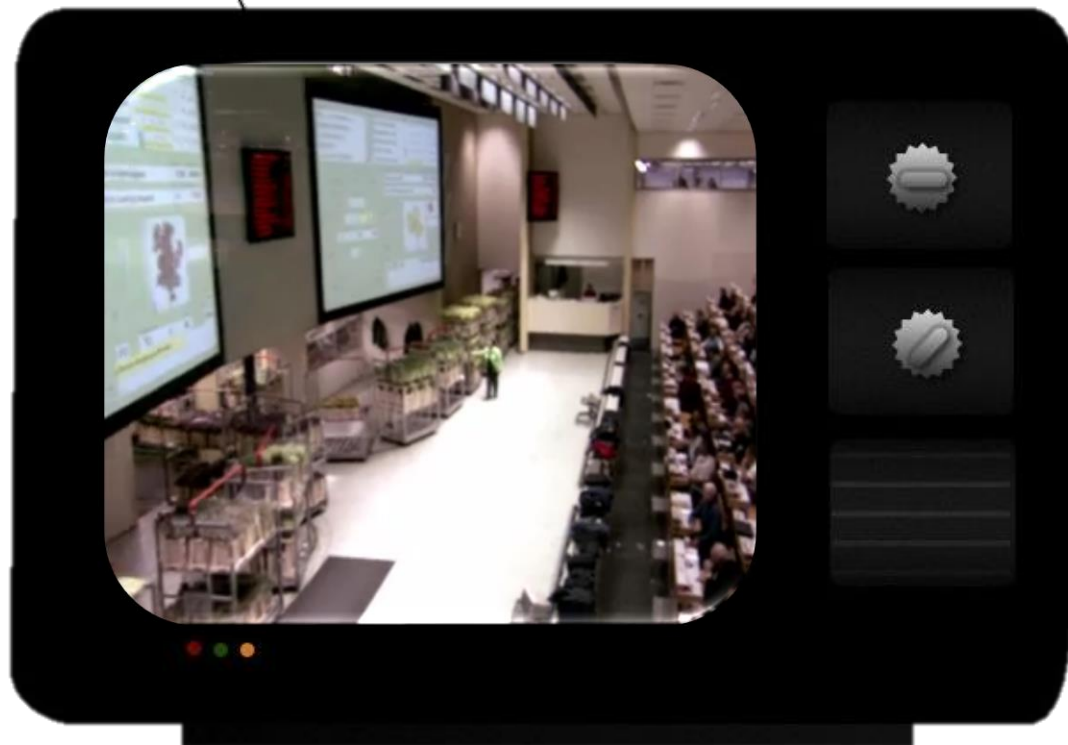


Auction has been used to trade antiques and fine arts to the stock exchanges and government purchases.

Auction, in Latin, means “to increase”. What auction that you have experienced or familiar with?

Take a look...

For a look at a real-world equilibrium, click the picture below to see the Aalsmeer Dutch Tulip auction in action. (3 minutes)



Slave Auction, Tulip Mania



AUCTIONS

WHAT YOU
WILL LEARN
IN THIS
CHAPTER

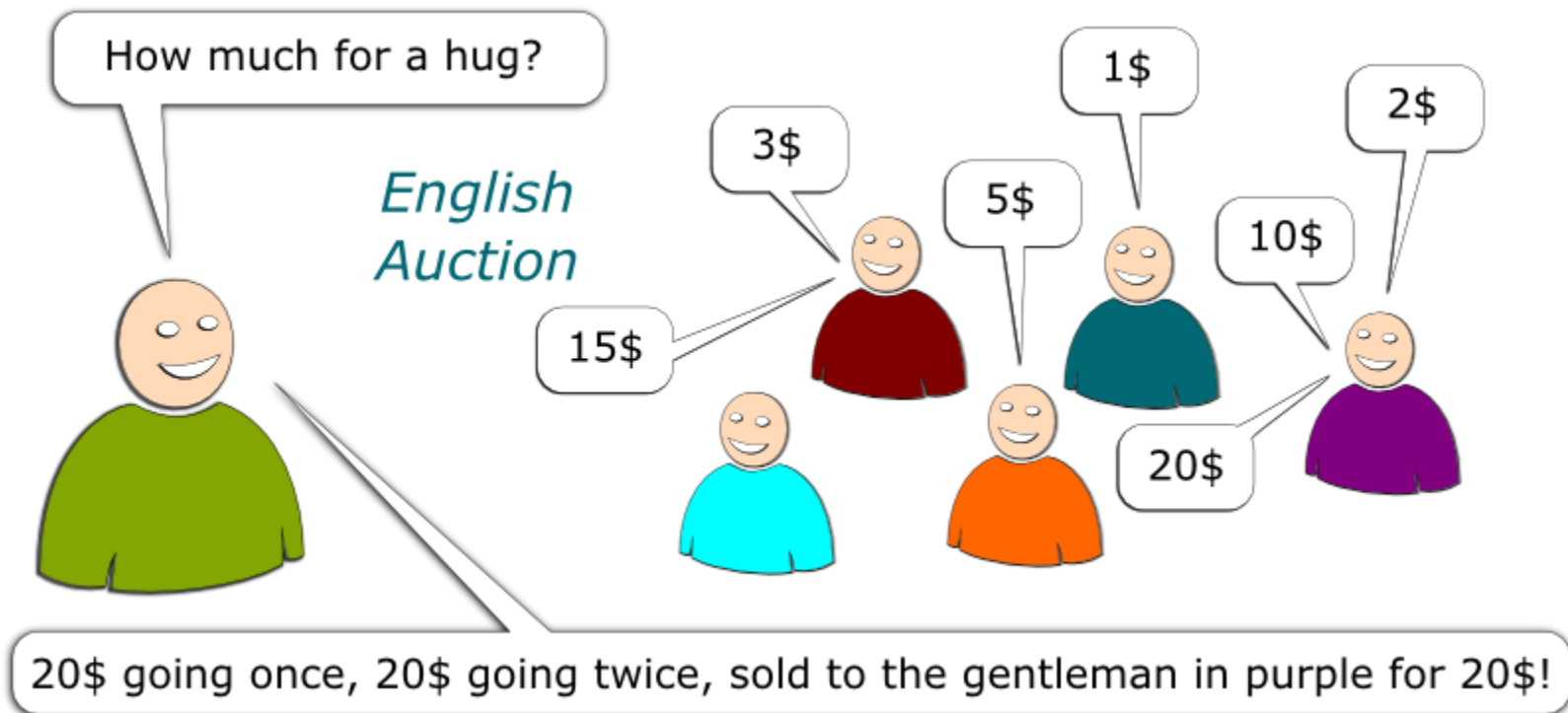
- › The types of Auctions:
 - › English Auction
 - › Dutch Auction
 - › Sealed-Bid (Silent) Auction
 - › Vickrey Auction
- › Winner's Curse



English Auction



- Commonly used for selling antiques, arts, cattle, used cars.
- Bids increase until no one is willing to top the current bid.



-

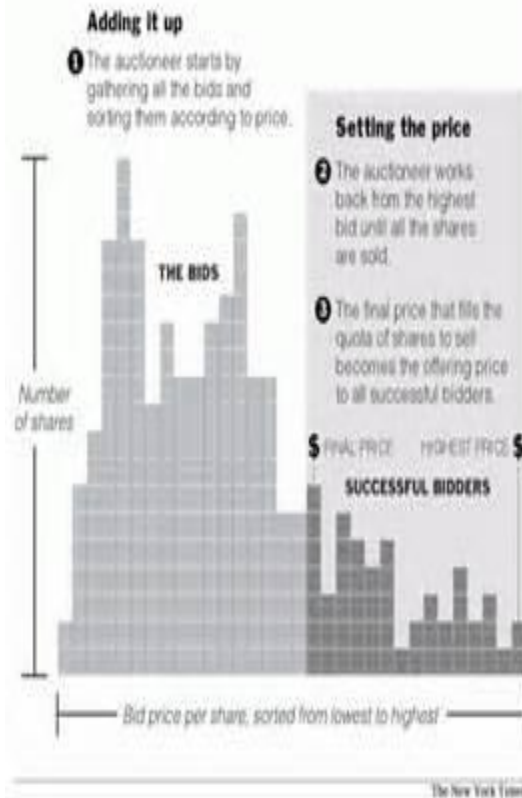


Dutch Auction



A Dutch Auction Primer

Google is planning to use a Dutch auction to set the price of the shares in its initial public offering. Here is how the auction process will find the highest price at which all shares can be sold.





Sealed Bid Auction

- In a sealed-bid auction, bids are opened simultaneously, and the highest bidder wins the item and pays his bid.
- The analysis of the sealed-bid auction is more challenging because the bidders don't have a dominant strategy.

AUCTION
Sealed Bid

SILENT AUCTION RECEIPT

Event: _____
Date: _____ Bidder #: _____
Name: _____

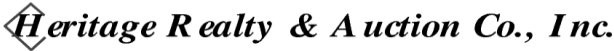
LINE	ITEM DESCRIPTION	ITEM #	HIGH BID	CHECK BID
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
TOTAL				

See this receipt for disbursement as allowed by law.

PAID Cash _____ Check # _____ Credit Card _____

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Sealed Bid Auction



6877 Gadsden Highway
Birmingham, AL 35173
Toll Free: (800) 445-4608
Local: (205) 661-0600
Fax: (205) 661-0800

SEALED BID FORM - REAL ESTATE

1. The undersigned Buyer agrees to buy at Sealed Bid Auction conducted on the _____ day of _____, 20____, the following Property:

Description of Property: _____

2. Consideration:

Earnest Money (_____ % of Bid): \$ _____
Bid Price: \$ _____
Balance: \$ _____

3. **Terms:** _____ of the Bid Price is due as Earnest Money and is hereby paid with the submission of this Sealed Bid Form, receipt of which is hereby acknowledged by Heritage Realty & Auction Co., Inc. Sale subject to Seller approval. If Buyer is the successful Bidder, then Buyer agrees to sign a Sales Contract within _____ days of the Sealed Bid Auction. Balance is due in full at closing. Closing is to be held within _____ days of the date of the Sealed Bid Auction. Failure of the Buyer to comply with the terms of the Sealed Bid Auction shall, at the option of the Seller, result in the Buyer's forfeiture of the Earnest Money.

4. **Reservations, Restrictions, Exceptions and Special Stipulations:** Said Property is sold subject to existing rights of way and easements for roadways and utility systems, and the following terms: _____

5. **Ad Valorem Taxes:** Ad valorem tax coming due on the Property October 1st, _____, shall be _____ All other taxes, including but not limited to any recalculation or recapture as a result of "current use" rollback or re-evaluation, shall be paid by the Buyer.

6. **Possession:** Buyer shall be entitled to possession of the property _____

7. **Agency Disclosure:** In this transaction, the listing/selling company, Heritage Realty & Auction Co., Inc., is acting as an Agent of the Seller and is assisting the Buyer as a Transaction Broker.

Seller's Initials

Buyer's Initials

8. Dated this _____ day of _____, 20____.

X
Buyer

X
Buyer

PLEASE
PRINT THE
FOLLOWING
INFORMATION:

Buyer Name(s): _____
Address: _____
Phone #: _____ Fax #: _____
Best time to contact you: _____



November 4, 2014

RE: Sealed Bid Sale for Monroe Bank & Trust's Auction Property #3
525 Redman Road, Milan, MI 48160

Dear Potential Buyer:

As a result of your registration and interest at our previous Monroe Bank & Trust Auction on October 29, 2014, we would like to inform you of a Sealed Bid Offering on the property located at 525 Redman Road, Milan, MI. The Terms & Conditions of the Sealed Bid Sale along with the Sealed Bid Form are attached. To view information on this property, please visit our website www.HudsonMarshall.com.

The minimum for this property will be \$550,000. The highest bid in excess of \$550,000 will be accepted by the bank. Please remember that you will be add a 10% buyer's premium fee on top of the bid price. The bid form must be completely and clearly filled out in order for your bid to be considered.

If you have interest in bidding, please submit your bid on the enclosed sealed bid form, which must be in our office, no later than 5:00 p.m. on Wednesday, November 12, 2024. Please remember, the bid form constitutes a legally binding contract should your bid be accepted.

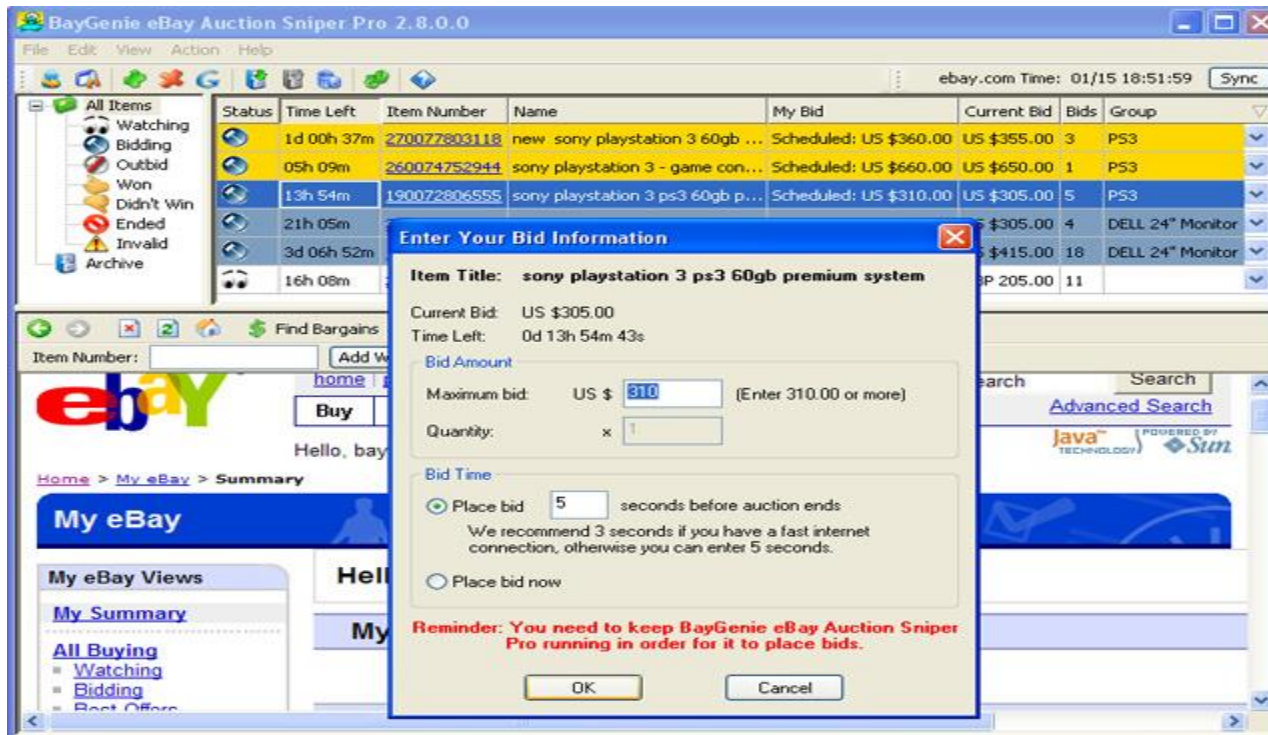
Thank you for your interest.

Steve Slocumb
Hudson & Marshall

Vickrey Auction



- The Vickrey Auction is a sealed-bid auction where the high bidder wins but pays the second-highest bid. It's also called a second-price auction: the price is not the highest bid but the second-highest bid.
- The Vickrey auction underlies eBay because when a bidder submits a bid in the eBay auction, the current “going” price is not the highest bid, but the second-highest bid plus a bid increment. Thus, up to the granularity of the bid increment, the basic eBay auction is a Vickrey auction run over time.



 **JoyBidder eBay Auction Sniper Free 1.6**



Translate eBay web sites to your language? Download Pro Now! 

**Porsche : 911**

Seller: concoursemotors-milwaukee (83 | 100%)
End Time: Jun 19 2010 07:34:17
Available Qty: 1
Status:  bidding

Shipping: N/A
Price: USD 40600.00 Reserve Not Met
Total Price: USD 40600.00 | 27 bids
BuyItNow Price: Not BuyItNow item

Item #: [110545883974](#)
Location: US
Ships To: Worldwide
eBay Site: MOTOR

Bidder: Max Bid: USD 40700.00 Group:

Jun 16 2010 16:36:16 scheduled a bid of USD 40700.00 with 15 seconds lead time.
Jun 16 2010 16:35:40 item is added at USD 40600.00

 Jun 16 2010 16:36:40 [-1s] www.joybidder.com

Winner's Curse



I paid too much for it, but it's worth it.

- Auctions, by their nature, select optimistic bidders.
- This phenomenon—that auctions tend to select the bidder with the highest estimate, and the highest estimate is larger than the true value most of the time—is known as *the winner's curse*.
- A savvy bidder corrects for the winner's curse.