

1. Consider the following procedure for dividing X among A, B, and C:

Step 1: A is instructed to cut X into two pieces, X_1 and X_2 , such that $\mu_A(X_1) = 1/3$ and $\mu_A(X_2) = 2/3$.

Step 2: B is then instructed to cut X_2 into pieces X_{21} and X_{22} , so that $\mu_B(X_{21}) = \mu_B(X_{22})$.

Step 3: The three players then select their pieces from $\{X_1, X_{21}, X_{22}\}$ in the order C, then A, and, finally, B.

Is this procedure correct, i.e., does it accomplish simple fair division for three players? Prove it.

No. Assume that player B believes that X is greater than X_{21} and X_{22} and player A and C believe that $X_1 = X_{21} = X_{22}$. In this game player A and C pick X , and X_{21} respectively leaving player B to pick X_{22} . He'll complain that player A got the best piece.

2. A, B, and C wish to divide a cake so that A gets $1/2$, B gets $1/3$, and C gets $1/6$. Here is a possible procedure for accomplishing this division:

Step 1: Instruct A and B to play cut-and-choose, so that each receives half of the cake according to his/her own evaluation.

Step 2: Instruct A and B to divide their shares into equivalent thirds.

Step 3: Give C her choice of these six pieces; she exits the game.

Step 4: If C chose one of B's pieces, there is nothing more to be done; otherwise (C must have chosen one of A's pieces, so) A gets to choose one of B's pieces.

Is this procedure correct? Prove it.

Yes. To prove the problem I will prove that all three players are satisfied and that cut and choose is fair towards two players.

1. Cut and Choose

- a. Cut and choose is when one player cuts the cake in what he deems $1/2$ and the second player chooses which piece he wants. Because the player who cut the cake believes both pieces are $1/2$ of a cake it doesn't matter what piece the other player chooses. And the player who chooses will pick the piece he deems is $1/2$ or more.

2. Player C

- a. C is satisfied because he gets to pick any piece he deems to be $1/6$ th

3. Player A

- a. Case 1: C chooses player's B piece
 - i. Player A is still left with $1/2$ of a cake thus he is satisfied.
- b. Case 2: C chooses player's A piece
 - i. Because Player A cut the cake he agrees that Player B has $1/2$ of a cake. Because player B divided his $1/2$ cake into three pieces there's at least one piece that is greater than or equal to $1/6$ of the original cake. Thus Player A will choose that piece and be satisfied that he has at least $1/2$ of a cake.

4. Player B

a. Case 1: C chooses player's B piece

- i. Because Player B believes he divided his cake evenly into three pieces it doesn't matter what piece is taken. When a piece is taken he'll have $2/6$ or $1/3$ of the cake thus he is satisfied.

b. Case 2: C chooses player A piece

- i. Because Player C choose a piece from Player A, Player A chooses a piece from Player B. Because Player B believes he divided his cake evenly into three pieces it doesn't matter what piece is taken. When a piece is taken he'll have $2/6$ or $1/3$ of the cake thus he is satisfied.

Thus all players are satisfied thus the procedure is correct.

3. A and B wish to divide a cake in the ratio 6:4, i.e., A is to receive at least 60% of the cake (according to A's valuation), and B is to receive at least 40% of the cake (according to B's valuation). Accordingly, they decide to use this algorithm:

Step 1: B is instructed to cut the cake into six pieces in the ratio 3:2:2:1:1:1.

Step 2: A is instructed to mark those pieces that (A feels) were appropriately cut.

Step 3: If A has identified pieces from which some subset adds up to $6/10$, then A gets that subset and B gets the rest; otherwise, from the unmarked pieces, B chooses a subset that adds up to $4/10$.

Does this algorithm work? If so, prove it; if not, why not?

Yes. If we treat the ratio 3:2:2:1:1:1 as a stars and bars combinatorics problem with the amount of stars equal to ten and the amount of bars equal to 5 with each bin having at least 1 we cannot get one bin greater than 6. This means that A will always get his 60% of the cake. And since B cut it, he will have his 40%.

4. A, B, and C wish to divide a cake using simple fair division. A was instructed to cut the cake into three equivalent pieces (X_1 , X_2 , and X_3), then B and C were told to identify pieces that they felt were at least one-third of the cake. Both players identified only X_3 . What should they do?

Step 1: Have B pick out X_3 and the second best piece which we'll call X_s .

Step 2: Have B cut a piece off of X_3 until it is equal to X_s . We'll call the trimmings made from X_3 T_1 .

Step 3: Have C pick which piece he/she wants.

Step 4: Have B pick a piece

Step 5: Have A pick a piece

Step 6: Have A cut T_1 into three evenly pieces

Step 7: Go back to Step 1 and continue these steps until there are no trimmings.