Auction - allocation mechanism for a "prize"
people expend resourses.
( to social welfere).
the property of the property o
IM OU
1 point (an competition = no source value ?
Sinfly ance votes differently
is well a the state of the stat
1 political competition => no social value?  (surplus)
rent seeking (geogre?)
Fent seeking gray
U bahana - ( ) to the or the
parana production possibility fontier
Gorial take away.  theft >> social waste
thet =7 GOLOU WORKE
or they will not tell the truth.  > coconut (only when they have private if s).  information rent
> coconut (only when they have private ifs).
allocate the existing good to right person experted shoplus
E[Vci)] expected value of prize = ER + n ES
experted seven terenile
do not creat value => sum of bidders' payment (effect)
(X have to be miles to sold on
(X have to be given to seller,
just pay for getting prize = just matter
Just pay for getting prize = just matter  Information rent > 0 as n > 0 (last class).
Information rent $\Rightarrow 0$ as $n \Rightarrow \infty$ (last class).  (S) "informationally small" (information system with /wo you).
"informationally small" (information by stem with /wo you).
value I when competition
when $n = 200$ $\overline{L}y$ , $\overline{v}$ .
Fig. > = FR + (nFC) tout to chem?
E(va) = FR + (nfs) try to show?
$\frac{1}{V}$

Second Price all-pay austion
Second Price all-pay anotion Livining bidder pays the second price
N-2. the nar of attriction
Auction -> uncertanty on the side of market
only one unit sold
whether the unit has to be produced
Anction > uncertanty on the side of market  only one unit sold  whether the unit has to be produced  what if there are multiple sellers
I
(real number)  (consider a seller of known cost (who can produce any any number of writ)
seller could set reserve price -> inefficiency due to monopoly power above the MC
if 1 MC=2, 17 70-5
face a continuous of buyers
valuation drawn from same distribution of Fiv
Fiv) also represents the fraction of consumers
whose valuation is v or lower
seller know the demand curve
can not get all of the price
can not get all of the price though discrimination profits

(due to private info)
(due to private info).
cost => assymetric. Info
increasing n only decreasing uncertaining but get the same on average  production does not make different > I only one unit whether to produce
but not the sense on average.
moduction does not make different => Touly one it
production and respect to the many of the
t unerner to produce
Exchange a monormal . It was a training on lathe cides
Exchange evonomy with uncertainty on both sides  M N (assymetric info).  buyers sellers
huar sellar
buyers sellers  E (3 (diztablished)
F G (distribution function)
The effect of successions of the beauties of constant
The effect of increasing M, N, keeping M constant.  D pick minimum of M, N, moth that number of buyers and sellers.  and do binlotical bargoing with the pairs
and do his lottical barranina with the Dante
announcing a single price to all buyers and sellers.
=> X m 1/
m \ allocate units to right people v.
$m \times = allocate units to right people V.$
1
trado is at large misa but the make ditamore
trade is at wrong prize, but the problem disappears.
trade is at wrong prize, but the problem disappears.  When $n \to \infty$ (inefficiency)  competition solve—