

DECISION ANALYSIS – SHORT EXERCISES X – SOCIAL CHOICE THEORY – PROPERTIES, PARADOXES, AND POWER INDICES

I. Indicate the truth (T) or falsity (F) for the below statements.

- a) For three individuals, there is no unrestricted domain voting rule that is liberal and Paretian
- b) The plurality rule is independent with respect to irrelevant alternatives
- c) The Borda rule for four players is strategyproof
- d) The Banzhaf power index satisfies the null player property

T
F
T
T

II. Consider the following preferences of 13 voters: 6: $A > C > B$, 3: $B > C > A$, 1: $B > A > C$, **3: $C > B > A$** . Determine the results using the Borda count. How to manipulate the preferences of the three voters in bold to make candidate B the winner.

Borda count		
Results: BSc(A) = .13	BSc(B) = .14	BSc(C) = .12
Manipulation: 3: $B > C > A$ $BSc(A) = 6 \cdot 2 + 3 \cdot 0 + 1 \cdot 1 + 3 \cdot 0.$ $BSc(B) = 6 \cdot 0 + 3 \cdot 2 + 1 \cdot 2 + 3 \cdot 2.$ $BSc(C) = 6 \cdot 1 + 3 \cdot 1 + 1 \cdot 0 + 3 \cdot 1.$		

III. Consider the following simple game: [6; 4, 3, 2, 1] (the numbers in the brackets mean a rule requires 6 votes to pass, and voter A can cast four votes, B three votes, C two, and D one. Compute the Shapley-Shubik power indices for all voters.

Order	Piv.	Order	Piv.	Order	Piv.	Order	Piv.
ABCD	B	BACD	A	CABD	A	DABC	B
ABDC	B	BADC	A	CADB	A	DACB	C
ACBD	C	BCAD	A	CBAD	A	DBAC	A
ACDB	C	BCDA	D	CBDA	D	DBCA	C
ADBC	B	BDAC	A	CDAB	A	DCAB	A
ADCD	C	BDCA	C	CDBA	B	DCBA	B

Party	SS index
A	10/24
B	6/24
C	6/24
D	2/24