

# CSE475 Mid-game Strategy

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Due to the fact that we have already spent half of our money, we have decided to change our strategy. We will only enter two of the five auctions on the second day, the English Auction and the Vickrey Auction.

Our utility for the English Auction is significantly higher than the market value for the item, so we are assuming that we have at least one of the higher utilities for this item. Therefore, we believe that it is worth entering this auction with the expectation of winning the item.

We intend to be conservative in our bidding, only incrementing the highest bid by \$1. By doing this, we will not pay any higher than what the competing bidders are willing to pay. This also allows us to hide the fact that we intend to win this item.

In the Vickrey Auction, our utility is also relatively higher than the market value for the item. However, it is not so much higher that we can assume that we have one of the highest utilities for the item. Because of this, we plan to bid higher than our utility in hopes of preventing another team from winning the bid.

What we bid will depend on how much we end up paying for the item in the English Auction. We plan on bidding whatever cash we have left, up to the value that would make us break even over all. This way we do not lose any utility, and at the same time we would keep a team with a higher utility from gaining the item, and only pay what they bid.

This is a more aggressive approach, but being the last auction of the game, we are willing to sacrifice a little utility in order to keep another team from getting more utility than we would have received.