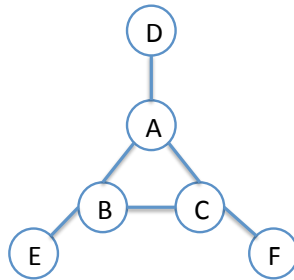


**SI 301**  
**Assignment 8**  
**Due in class on Tue November 7<sup>th</sup>**

Reading: Sections 12.1-12.8 of textbook.

1. Problems 1, 2, 5, 6 in section 12.10 of textbook.
2. Is a balanced outcome in a network exchange experiment always stable? If it is, prove it. If not, give an example of a balanced outcome that is not stable.
3. Consider a network exchange experiment on the network below.
  - a. Give an example of an outcome that is not stable. Explain.
  - b. Give an example of an outcome that is stable but not balanced. Explain.
  - c. Give an example of a balanced outcome. Explain.



4. Is it possible to find a balanced outcome in the network below? If it is, find it. If not, prove that every possible outcome is not balanced.

