

# Assignment – Calculating Value Creation

## Assignment:

Answer for the subsequent three constellations the following questions:

1. What deal(s) is(are) made and why?
2. What is the total value creation?
3. What is the share of the parties?
4. What are the prices or price ranges for the resource and the product?

**Constellation 1:** Consider a game between two suppliers, two firms, and one buyer. Each supplier can transact with at most one firm, and vice versa. The buyer can transact with at most one firm. Each supplier has an opportunity cost of EUR 10 of providing resources to a firm. The buyer has a willingness to pay of EUR 100 for the first firm's product, and a willingness to pay of EUR 150 for the second firm's product.

**Constellation 2:** Consider a game between four suppliers, three firms, and two buyers. Each supplier can transact with at most one firm, and vice versa. Similarly, each buyer can transact with at most one firm, and vice versa. Each supplier has an opportunity cost of EUR 10 of providing resources to a firm. Each buyer has a willingness to pay of EUR 100 for a firm's product.

**Constellation 3:** Consider a game between four suppliers, three firms, and two buyers. Each supplier can transact with at most one firm, and vice versa. Similarly, each buyer can transact with at most one firm, and vice versa. Each supplier has an opportunity cost of EUR 10 of providing resources to a firm. Each buyer has a willingness to pay of EUR 100 for the product of the first or second firm, and a willingness to pay of 150 for the product of the third firm.