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## Interpreting eBay's Shift from Auctions - Quiz

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### Question 1

1/1 point (graded)

Which of the following are potential explanations for the decline in popularity of online auctions? (Select all that apply.)

- ☒ a. Auctions of the past have allowed sellers to better understand buyers' valuations and removed informational asymmetries ✓
- ☐ b. eBay has deliberately increased transaction costs for auctions
- ☐ c. Sellers are increasingly turning to other platforms for online auctions
- ☒ d. Different types of products are bought and sold on eBay currently than in years past ✓




### Explanation


There are several possible explanations for why online auctions through eBay are less common currently than in years past. For one thing, it could be that in the past, sellers preferred to auction goods because they did not know buyers' valuations of those goods. After several years of transactional

▼ **Module 5: Moments of a Random Variable, Applications to Auctions, & Intro to Regression**


**Moments of a Distribution and Auctions**

Finger Exercises due Oct 31, 2016 at 05:00 IST 

**Expectation, Variance, and an Introduction to Regression**

Finger Exercises due Oct 31, 2016 at 05:00 IST 

**Module 5: Homework**

Homework due Oct 24, 2016 at 05:00 IST 

► **Exit Survey**

data through eBay, those sellers now have a better sense of what their goods are worth, and are increasingly able to sell those goods at a higher price. A second explanation could be that online auctions impose transaction costs relative to purchasing at a posted price which buyers are less likely to be willing to pay. Another explanation is that the composition of goods bought and sold on eBay has changed, and so a decline in the popularity of auctions is driven by that change in composition, rather than a change in the preferences for auctioning or selling at a posted price.

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✓ Correct (1/1 point)

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