edX   **MITx: 14.310x Data Analysis for Social Scientists**

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Sales at Posted Price versus Auction - Quiz

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Question 1

0 points possible (ungraded)
Why might a seller decide to auction an item rather than to sell the item at a posted price? (Select all that apply.)

☑ a. Items that are very expensive ✔

☑ b. Cases where the value of a good is not known or is unclear ✔

☑ c. Goods that are rare or even one-of-a-kind ✔

☑ d. Cases where either the buyer or the seller has more information than the other ✔

✔

Explanation
In lecture, several reasons are discussed for why a seller may choose to sell an item using an auction rather than through a posted price. Many items that are auctioned off tend to be expensive, but that does not have to be the case. For example, often expensive items like medical equipment, electronics,

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

homes, etc. are sold at a posted price. Items that are commonly auctioned off are those where there is a lack of information or asymmetric information about the value of a good. Additionally, goods that are very rare or one-of-a-kind are often sold via auctions.

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