CS711: Introduction to Game Theory and Mechanism Design

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Project: Assignment 2

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Ques No. 1(a)

P_1	P_2	P_1'	P_2'
a	c	b	a
b	b	a	b
С	a	С	С

We know $f(P') \in \{a, b\}.$

Let the preference profile $f(P") = (P'_1, P_2)$.

We can clearly observe $f(P") \in \{b, c\}$.

Now, let us make the assumption that f(P') = c.

But since f(P') = c, we get f(P") = c. Since f(P') = c, we get f(P) = c by Monotonicity, which is not possible as f(P) = a. Hence, f(P") = b.

Now, consider the given profile:

P_1'	P_2'''	
b	c	
a	a	
С	b	

The outcome of the above profile cant be 'c' because then f(P) = c.

So it is 'b'. As the latter profile is dominated by the former, by mono we can say f(P') = b.

Ques No. 1(b)

We know that P' and P''' are not single peaked. So, the earlier conclusion doesnot hold. Defining the new mechanism, $f(P) = \min \{ P_1(1), P_2(1) \}$. Then, $f(P'_1, P'_2) = a$.

Ques No. 2

We can infer that the preference set is the power set of X, where X is the set of projects and the preference domain is the subset of all the subset of X. Let the top ranked project in X be x_1 , according to the linear ordering P_i over X.

 $|X| > 1 \implies x_1$ can be a part of more than 1 subsets of X. Let X_1 and $X_2 \subseteq X$ be 2 such subsets .

Now according to the given $\inf_{X_1} X_2$ are indifferent to agent 'i'. We will have to restrict our preference domain to remove indifferences. Gibbard-Satterthwaite theorem does not hold if indifferences are allowed among alternatives or if the preference domain is restricted.

Ques No. 3

Let there be N players and $P_t(1)$ be the top preference of the 't' player where $t \in \{1, 2, ..., N-1, N\}$.

Lets make an assumption that the median preference is held by player 't' and is given by $P_t(1) = a$. Let K be the group of manipulating agents. The player 't' will not try to manipulate the outcome \forall t s.t. $P_t(1) = a$. If all the players, s.t. $P_t(1) < a$, in a common order of single peaked domain model form a group, and they alternate to b > a then as $P_t(1) < a <$ and being single peaked, a is still preffered over b. Even if they alternate to b < a (in a common order), then the median is still a. Therefore they cant manipulate.

If all the players, s.t. $P_t(1) > a$, in a common order of single peaked domain model form a group, and they alternate to b < a, then being single peaked and $b < a < P_t(1)$ therefore a is preffered over b. And if they alternate to b > a the again the median is a.

Now let K has some agents with $P_t(1) < a$ and some agents with $P_t(1) > a$. Let them manipulate s.t. the outcome is b. If b > a, then it will decrease the utility for those agents with $P_t(1) < a$. If b < a, then manipulation will lead to decrease in the utility for those with $P_t(1) > a$. We can hence conclude that no such group can be formed which can manipulate the outcome. Hence the Median Social Choice Function is a group strategy proof.