Assignment 5

Consider the decision problem studied in Example 23 (Taking an efficient decision) on page 99. Note that the decision function is efficient so we can use the pivotal mechanism.

Suppose that there are three players, A, B and C, and two decisions, d_1 and d_2. Assume the following situation:

decision	value for A	value for B	value for C
d_1	10	19	30
d_2	15	11	40

where by "value" we mean the "satisfaction level". Assume that all three players submit truthfully their types. What taxes will they pay according to the pivotal mechanism?