

Crémer, Jacques; McLean, Richard P.

Full extraction of the surplus in Bayesian and dominant strategy auctions. (English)

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Econometrica 56, No. 6, 1247-1257 (1988).

The authors investigate the optimal design of certain auction games: One agent sells a single indivisible good, while the bidders have information about each other which is not available to the seller. Information structures are completely characterized which guarantee the seller to extract the full surplus (from the bidder with the highest evaluation). This is done for the case of existing dominant bidding strategies and for the case of Bayesian Nash equilibria. Interpretations are included as well as a numerical example.

Reviewer: [K.Mosler](#)

MSC:

[91A10](#) Noncooperative games

[91B26](#) Auctions, bargaining, bidding and selling, and other market models

Cited in **11** Reviews

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