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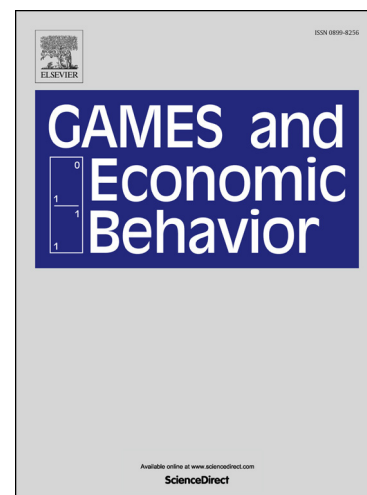
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# An equilibrium characterization of an all-pay auction with certain and uncertain prizes

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## Abstract

In the important contribution "All pay auctions with certain and uncertain prizes" published in *Games and Economic Behavior* May 2014, the authors analyze an all pay auction with multiple prizes. The specific feature of the model is that all valuations are common except for the valuation of one of the prizes, for which contestants have private valuations. However, the equilibrium characterization derived in the paper is incorrect. This paper provides the correct equilibrium characterization of the model.

**Key words:** All pay auctions, uncertain prizes

**JEL codes:** D 44, D82, J31, J41

Minchuk and Sela (2014) (hereafter MS) consider an all pay auction with multiple prizes. The specific feature of their model is that all valuations are common except for the valuation of one of the prizes. For this particular prize contestants have private valuations, independently drawn from a common distribution.

The authors claim that the equilibrium bid function is symmetric and monotone in the valuation of the uncertain prize. However this is only the case if the uncertain prize has the highest or lowest value. It is not if the uncertain prize has an intermediate value, which is MS' main case.

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