

Accepted Manuscript

Efficient dynamic mechanisms with interdependent valuations

Wei He, Jiangtao Li

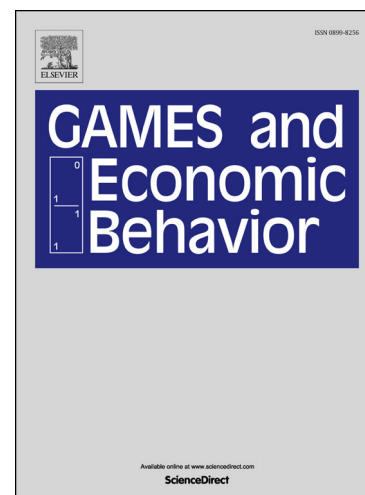
PII: S0899-8256(16)30023-9
DOI: <http://dx.doi.org/10.1016/j.geb.2016.04.008>
Reference: YGAME 2537

To appear in: *Games and Economic Behavior*

Received date: 30 July 2015

Please cite this article in press as: He, W., Li, J. Efficient dynamic mechanisms with interdependent valuations. *Games Econ. Behav.* (2016), <http://dx.doi.org/10.1016/j.geb.2016.04.008>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



Efficient Dynamic Mechanisms with Interdependent Valuations*

Wei He[†] Jiangtao Li[‡]

May 3, 2016

Abstract

This paper considers a dynamic environment with interdependent valuations and evolving private information. Under the assumption of “independent types”, we construct an efficient, incentive-compatible mechanism that is also budget-balanced in every period of the game. Our mechanism works in environments where in each period, each agent observes her own realized outcome-decision payoff from the previous period. This extends the insight of [Mezzetti \(2004\)](#) to the dynamic setting.

JEL classification: D82, D86

Keywords: Dynamic mechanism design; Efficiency; Observable payoff; Incentive compatibility; Budget balance

*We are grateful to the Editor and an anonymous referee for the comments and suggestions. We thank Rabah Amir, Tilman Börgers, Yi-Chun Chen, Huiyi Guo and Satoru Takahashi for helpful discussions. All remaining errors are our own.

[†]Department of Economics, Chinese University of Hong Kong, he.wei2126@gmail.com

[‡]Department of Economics, National University of Singapore, jasonli1017@gmail.com

Download English Version:

<https://daneshyari.com/en/article/5071623>

Download Persian Version:

<https://daneshyari.com/article/5071623>

[Daneshyari.com](https://daneshyari.com)