

BUYING AND SELLING STRATEGIES IN THE ASSIGNMENT GAME

By

MARILDA A. DE OLIVEIRA SOTOMAYOR

Departamento de Economia, Universidade de São Paulo, Cidade Universitária, Av. Prof Luciano Gualberto 908, FEA II 05508-900- São Paulo –SP – Brazil
e-mail: marildas@usp.br 11 3091-5824 2003

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ABSTRACT

For a version of the “Assignment Market” of Shapley and Shubik, the strategic games induced by a class of market clearing price mechanisms are analyzed. In these procedures, buyers and sellers in different stages reveal their demand and supply function, and a competitive equilibrium rule is used. Subgame perfect equilibria exist if and only if the matching rule chooses a super-optimal matching for the strategies selected by the buyers. Precise answers can be given to the strategic questions raised.