Errata file for "Auction Theory: Introductory Exercises with Answer Keys" Springer

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1. **Chapter 4.**

   - Exercise 4.2, page 130. The second expression should read as

   $$\frac{v_i}{b_i'(v_i)} - 1 = \frac{v_i - b_i'(v_i)}{b_i'(v_i)} = 0$$

   - Exercise 4.3, page 135. Please add subscripts i to all $b_i^{FPA}(v_i)$ and $b_i^{APA}(v_i)$ in part (e).
   - Exercise 4.7, page 145, line 10 should read "... bid more aggressively under the second-price all-pay auction for all valuations ... "
   - Exercise 4.8, page 149, part (f). The explanation after the second displayed equation should read "which simplifies to $p\delta^t\pi^m = (1-p)\delta^t c$, or $p\pi^m = (1-p)c$, yielding probability $p^* = \frac{c}{\pi^m + c}$. This probability is increasing in the waiting cost, c, since $\frac{\partial p^*}{\partial c} = \frac{\pi^m}{(\pi^m + c)^2} > 0$. Intuitively, as the cost of waiting increases, every firm is less willing to stay in the industry."

2. **Chapter 6.**

   - Exercise 6.4, page 197, line 17 to 18 should read "... but that of the first-price auction lies above (below) that of the second-price auction below (above) the expected value of the bid. "

3. **Chapter 9.**

   - Exercise 9.6, page 250.
     - Expression 1 should read $v_B(\alpha_1 - \alpha_2) + v_C\alpha_2$.
     - Expression 2 should read $v_B\alpha_1 + v_C\alpha_2 > v_B(\alpha_1 - \alpha_2) + v_C\alpha_2$.
     - Line 8 should read "simplifies to $v_B\alpha_2 > 0$ "