Exercises

1) Consider 5 people with the preference rankings over A,B,C, and D as follows

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 |
| B | A | C | A | D |
| C | D | B | C | B |
| D | C | D | B | C |
| A | B | A | D | A |

a) Draw the preferences of all people.

b) Who has single-peaked preferences, and who has not?

c) Which project will be selected according to the Condorcet voting?

2) Suppose each individual has a utility function

where is the level of income, is the level of tax, and is the public good. Since there are number of people

Assume that is distributed over a certain range.

a) Compute the most preferred by an individual whose income is .

b) Assume that the income distribution is given by

If is selected according to Condorcet voting, what is the outcome of this election?