

## MA 110 Quiz 4 **ANSWERS**

**Complete Answer.** Fill in the blanks in the following tables, and answer the question about the final settlement.

Three heirs, A, B, and C inherit two items from their uncle's estate: a car and a horse. They decide to divide the items among themselves by the method of sealed bids. Their bids are in the bid table below. Complete the tables below and describe the final results, including what cash amounts each player has ultimately paid or gained.

Bids	Players			
Item	A	B	C	High Bidder
car	\$6,750	\$8,250	\$6,000	<b>B</b>
horse	\$7,500	\$9,000	\$9,750	<b>C</b>
<b>Total Value</b>	<b>\$14,250</b>	<b>\$17,250</b>	<b>\$15,750</b>	
<b>Fair Share</b>	<b>\$4,750</b>	<b>\$5,750</b>	<b>\$5,250</b>	

Allocation				
Player	Item(s)	Value	Share	Put in (Take out)
A	none	0	\$4,750	(\$4,750)
B	Car	\$8,250	\$5,750	\$2,500
C	Horse	\$9,750	\$5,250	\$4,500
<b>Surplus</b>				<b>\$2,250</b>
<b>Share of Surplus</b>				<b>\$750</b>

Describe the final settlement result for each player below (including cash balance).

Player A: **Get no item, but gets \$5,500 cash.**

Player B: **Gets car and pays \$1,750 cash.**

Player C: **Gets horse and pays \$3,750 cash.**

**Note that the cash received and cash paid balances out to \$0.**