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ON THE IMPLEMENTABILITY OF REDUCED FORM AUCTIONS

by

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Abstract. The characterizations of optimal auctions in Maskin and Riley [4] and Matthews [5] use a theorem that provides a condition sufficient for there to exist an auction that implements a given reduced form auction. However, the theorem has been proven -in [4]- only for reduced form auctions that are step functions. In this note I discuss the implementability issue, show that the theorem holds for any reduced form auction, and conjecture a sufficiency theorem for auctions that are not monotonic.

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