

## Lecture Note 2

### Laffont, J-J. (1988): Chapter 5

**Please answer the following questions:**

1. What is the problem of the social decision maker under private information?

2. Give a non formal description of the following:

spaces:	$\Theta^i$	$M^i$	A
functions:	$E_{g,c}(\cdot)$	$g(\cdot)$	$f(\cdot)$
indices:	i	c	

3. What is meant by:

- Dominant Equilibrium
- Nash Equilibrium
- Direct Mechanism
- Revealing Mechanism
- Implements by Revelation

4. Define the “Revelation Principle”.