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Fall 2015
Compensation Day 2
Lecturer: Dr. Paullin

The Mean Girls are breaking up their friendship, and they must decide who keeps The Burn Book. Their bids for the book are as follows.

|  | Regina | Gretchen | Karen |
| :---: | :---: | :---: | :---: |
| The Burn Book | $\$ 300$ | $\$ 210$ | $\$ 240$ |

(1) Find $\mathbf{m}$, the average bid for the Burn Book.
(2) Random Compensation Cady decides that Karen should keep the book, but requires her to pay $\$ 30$ to Regina and $\$ 21$ to Gretchen. Determine the values of $x_{\text {Regina }}, x_{\text {Gretchen }}$, and $x_{\text {Karen }}$.
(3) Knaster's Procedure Use Knaster's Procedure and answer the following questions.

|  | Regina | Gretchen | Karen |  |
| :---: | :---: | :---: | :---: | :---: |
| Fair Share |  |  |  |  |
| Value of Item Received |  |  |  | Surplus $\downarrow$ |
| Money Received |  |  |  |  |

(a) Who gets to keep the book?
(b) Using this method, what are $x_{\text {Regina }}, x_{\text {Gretchen }}$, and $x_{\text {Karen }}$ ?

