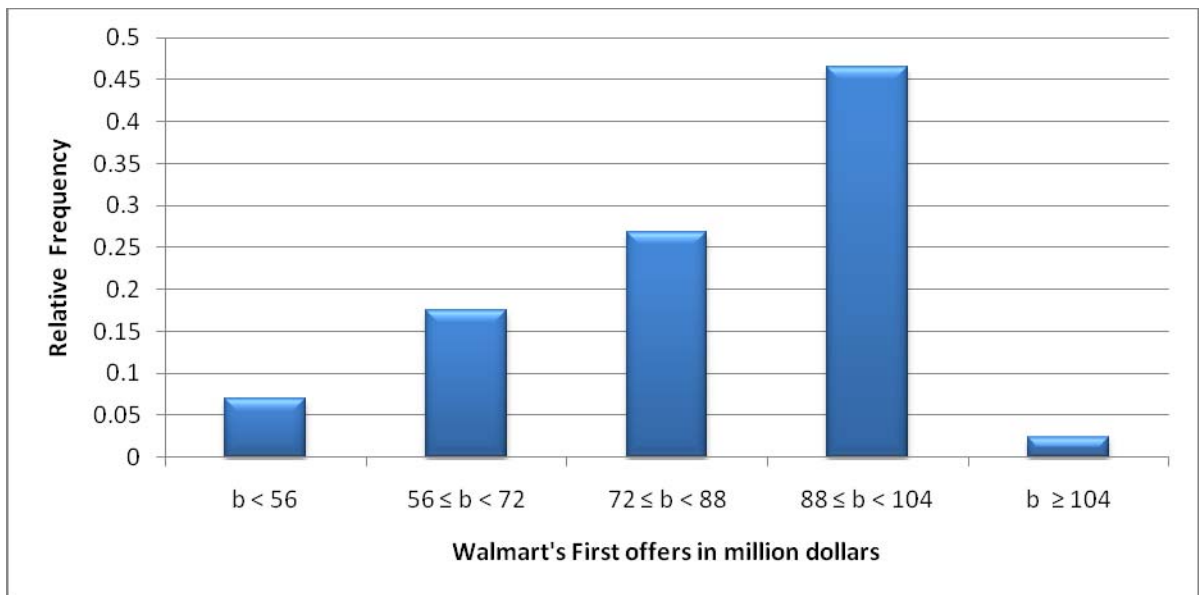


1. What is empirical distribution of Walmart's first offers?

Table 1: Frequency and Relative frequency of of Walmart's first offers

Walmart First Offers in \$	Frequency	Relative Frequency
$b < 56$	6	0.0698
$56 \leq b < 72$	15	0.1744
$72 \leq b < 88$	23	0.2674
$88 \leq b < 104$	40	0.4651
$b \geq 104$	2	0.0233

Figure 1: Empirical Distribution of Walmart's First Offers in Million Dollars



2. Frequencies and Relative Frequencies of Walmart's First Offers Acceptance by Kmart

Walmart First Offers in \$	Number of offers Rejected By FTC	Relative Frequency of Acceptance by Kmart	Frequency of Acceptance by Kmart	Frequency of Rejections by Kmart	Number of Offers not Rejected by FTC
$b < 56$	2	0.25	1	3	4
$56 \leq b < 72$	9	0.1667	1	5	6
$72 \leq b < 88$	5	0.2778	5	13	18
$88 \leq b < 104$	26	0.6429	9	5	14
$b \geq 104$	1	1	1	0	1
Total Number	43		17	26	43

Figure 2: Empirical Distribution of Walmart's First Offers and Distribution of Walmart's First offer Acceptance



3. Frequency and Relative frequency of of Walmart's second offers

Walmart Second Offers in \$	Frequency	Relative Frequency
b < 56	2	0.2
56 ≤ b < 72	1	0.1
72 ≤ b < 88	1	0.1
88 ≤ b < 104	6	0.6
b ≥ 104	0	0
Total Number	10	1

Frequencies and Relative Frequencies of Walmart's Second Offers Acceptance

Walmart Second Offers in \$	Number of offers Rejected By FTC	Relative Frequency of Acceptance	Frequency of Acceptance by Kmart	Frequency of Rejections by Kmart	Number of Offers not Rejected by FTC
b < 56	1	0	0	1	1
56 ≤ b < 72	1	0	0	0	0
72 ≤ b < 88	0	0	0	1	1
88 ≤ b < 104	3	0.6667	2	1	3
b ≥ 104					
Total Number	5		2	3	5

b. Frequency and Relative frequency of of Kmart's first offers

Kmart First Offer in \$	Frequency	Relative Frequency
b < 56	1	0.0625
56 ≤ b < 72	1	0.125
72 ≤ b < 88	2	0.4375
88 ≤ b < 104	7	0.3125
b ≥ 104	5	0.0625
Total Number	16	1

c. Frequencies and Relative Frequencies of Kmart's First Offers Acceptance

Kmart Offers in \$	Number of offers Rejected By FTC	Relative Frequency of Acceptance	Frequency of Acceptance	Frequency of Rejections	Number of Offers not Rejected by FTC
b < 56	0	1	1	0	1
56 ≤ b < 72	0	0	0	1	1
72 ≤ b < 88	2	0	0	0	0
88 ≤ b < 104	4	0.333	1	2	3
b ≥ 104	3	0	0	2	2
Total Number	9		2	5	7

4. Average net payoff to Kmart

Offer in \$	Average Net Payoff
b < 56	5
56 ≤ b < 72	14
72 ≤ b < 88	15.91
88 ≤ b < 104	45.45
b ≥ 104	70
Total	28.28

5. Average net payoff to Walmart

Offer in \$	Average Net Payoff
$b < 56$	95
$56 \leq b < 72$	46
$72 \leq b < 88$	38.64
$88 \leq b < 104$	45.45
$b \geq 104$	30
Total	44.14