Wharton Course Registration Overview
Agenda

• How the Auction Works
• Illustration of the Auction Interface
• Tips
• Questions
Why use an Auction?

- Why use an auction?
  - *Equity (you all start with the same wealth - points!)*
  - *Efficiency (seats allocated to those who value them most)*

- How is this auction different from the Pre-Term auction?
  - *More rounds*
  - *More competition*
  - *Mistakes count!*
How the System Works

• Students buy/sell in discrete rounds
• At round’s end, bids/asks ranked
• Uniform clearing price is set (discrete)

  *Bidders pay only what they bid (or less)*
  *Sellers get what they bid (or more)*

• Accounts credited/debited as appropriate
How Do You Earn Points?

• Students begin with a starting balance of 5,000 points
  *This is a one-time grant
  *There are no loans
  *Stakeholder Survey is only chance to get extra points

• Minimum bid is 100 pts/cu (50 pts/0.50 cu)

• Points are replenished @ 1000/cu (500/0.50 cu) when course completed

• No auction points replenished for courses obtained outside of the auction
  *Core courses (except FNCE602)
  *ISPs
  *non-Wharton courses
## Setting a Clearing Price (Round One)

MBAPO is the only seller of seats

<table>
<thead>
<tr>
<th>Excess Capacity</th>
<th>Bids</th>
<th>Asks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bids</td>
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<tr>
<td>348</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>243</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>172</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>101</td>
<td>100</td>
<td></td>
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<tr>
<td>--</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Clearing Price</td>
<td><strong>100</strong></td>
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</table>

<table>
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<tr>
<th>Excess Demand</th>
<th>Bids</th>
<th>Asks</th>
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<tr>
<td>172</td>
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<tr>
<td>142</td>
<td>100</td>
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<tr>
<td>101</td>
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<td></td>
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<tr>
<td>Clearing Price</td>
<td><strong>101</strong></td>
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Clearing Price in Subsequent Rounds

Only 3 trades take place at a uniform price

<table>
<thead>
<tr>
<th>Bids</th>
<th>Asks</th>
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</thead>
<tbody>
<tr>
<td>323</td>
<td>33</td>
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<tr>
<td>289</td>
<td>64</td>
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<tr>
<td>187</td>
<td>171</td>
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<tr>
<td>156</td>
<td>225</td>
</tr>
<tr>
<td>89</td>
<td>298</td>
</tr>
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</table>

The clearing price is the larger of the highest winning ask and the first losing bid: \( \max(156, 171) = 171 \)
Clearing Price in Subsequent Rounds

The clearing price is the larger of the highest winning ask and the first losing bid. 

\[
\text{max}(156, 101) = 156
\]

<table>
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<td>225</td>
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<td>89</td>
<td>298</td>
</tr>
<tr>
<td><strong>Clearing Price</strong></td>
<td><strong>156</strong></td>
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</table>

Only 3 trades take place at a uniform price.
Tip: Ask Zero

<table>
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<th>Bids</th>
<th>Asks</th>
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<td>0 (A)</td>
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<tr>
<td><strong>Clearing Price</strong></td>
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<th>Bids</th>
<th>Asks</th>
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<tbody>
<tr>
<td>248</td>
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<tr>
<td>0 (A)</td>
<td>1</td>
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<tr>
<td><strong>Clearing Price</strong></td>
<td><strong>0</strong></td>
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</table>
Additional Tips

- Bid early or bid late
- You may need to balance times or instructors
- Research to find out what tends to happen with courses over time
- When you research, be sure you are comparing like entities (instructors, semesters)
Rules of Course Registration Auction

• You may not transfer points to other students
• Bids/asks are not known until the round ends
• No contingency bids
• The penalty for out-of-auction registration changes can be steep. Make all registration changes within the auction to avoid penalties.
Cautionary Tales

YOU CAN INCREASE YOUR AUCTION ACCOUNT . . .

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Beginning auction balance</td>
<td>5000</td>
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<tr>
<td>Cost of LGST807:001</td>
<td>-100</td>
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<tr>
<td>Replenishment</td>
<td>1000</td>
</tr>
<tr>
<td>Ending auction balance</td>
<td>5900</td>
</tr>
</tbody>
</table>
Cautionary Tales

OR NOT . . .

<table>
<thead>
<tr>
<th>Resolution through</th>
<th>Auction</th>
<th>Post-Auction Swap from FNCE602004 to FNCE602005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning account balance</td>
<td>5000</td>
<td>5000</td>
</tr>
<tr>
<td>Cost of FNCE602004 (Rd 2)</td>
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<td>- 557</td>
</tr>
<tr>
<td>Differential between sections</td>
<td>- 1015</td>
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<tr>
<td>Penalty for post-auction transaction</td>
<td>- 350</td>
<td></td>
</tr>
<tr>
<td>Replenishment</td>
<td>1000</td>
<td>0</td>
</tr>
<tr>
<td>Ending account balance</td>
<td>5443</td>
<td>3078</td>
</tr>
</tbody>
</table>
If You Want Changes After the Auction Ends

• It’s a matter of philosophy . . .
  
  If you inconvenience us, that’s OK
  If you inconvenience your fellow students, that’s NOT OK. So we have policies . . .

• Students can add, drop or swap, but are subject to the policies noted in “Out of Auction Registration Changes” (see the website)

• We have an online system for adds/drops/swaps (instructor permission required)
  
  Waitlists are kept (be sure to bid in Round 8 (10) for the class that you want, just in case
Questions We Hear

• “The course I want doesn’t appear on the auction interface.”
• “The clearing price is the same as what I bid. Why don’t I have a seat?”
• “This course showed up on my schedule and I haven’t bid since Round 3.”
• “I (don’t) want to take this course P/F, how can I change that?”
• “I paid 1,500 for this course. I don’t want to put an ask of zero and lose all those points!”
• “I tried selling my seat for 1 point, but it didn’t sell.”
• “The auction is over, but Professor X is willing to add a seat for me.”
• “Barbara wants to talk to me? What’s that about?”
One Last Point

The MBA who graduates with the most points ….
One Last Point

Has spent way too much time on this!
Questions?

mbaprogram@wharton.upenn.edu

Quick Questions:

11:30 AM – 1:00PM during Pre-Term

Noon-1 PM; 3-4 PM during academic year