

# DCS/CSCI 2350: Social & Economic Networks

**Matching** Reading: Ch. 10 of EK & Handout for stable marriage

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# Stable matching

Given n men and n women, where each man ranks all women and each woman ranks all men, find a <u>stable</u> <u>matching</u>.

- <u>Stable matching</u>: no pair X and Y (not matched to each other) who prefer each other over their matched partners.
  - Such X & Y: "blocking pair"





















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How Game Theory Helped Improve New York City's High School Application Process			
T a F i: h F	o middle-s dmissions But as awful nstance, ter ad nothing process was	chool students and their process is a grueling and as it can be, it used to be as of thousands of childre going for them, it seeme so byzantine it appeared	parents, the high-school universally loathed rite of passage. e much worse. In the late 1990s, for en were shunted off to schools that d, beyond empty desks. The nothing short of a <u>Nobel Prize</u> -





The top-three objectives for the designers and operators of a content delivery network (CDN) are high reliability,

19















Matching Theorem/Hall's Theorem Konig (1931), Hall (1935)

A bipartite graph with equal numbers of nodes on the left and right has

no perfect matching *if and only if* there's a constricted set









## Model

- n sellers, each is selling a house
  - Each house has a price

### •n buyers

- Each buyer has a valuation for each house
- Buyer's **payoff** = valuation price





# Observations

- When buyers maximize valuation price: prices determine perfect matching
- Price of a house too low → ?
- Price too high  $\rightarrow$  ?









# Algorithm for MCP: prices for which there exists a perfect matching in the preferred seller graph Algorithm Initialize prices to 0 Buyers react by choosing their preferred seller(s) If resulting graph has a perfect matching then done! Otherwise, find any constricted set, and increase the price of its neighbors by 1; (Normalize the prices-by decreasing all prices by the same amount so that at least one price is 0); Go to step 2



