

## The Colourful World of Auctions

### Large Auction of Lost and Found Bicycles in the Nuremberg Area

On Sunday, 24 April, lost and found bicycles will be auctioned in Schwabach. The auction of approximately 30 bicycles will take place at 2 p.m. on the market square. It is not possible to view the bikes or pay for tickets beforehand. These are bicycles that have not been collected within the statutory period.

The auction will be held by the Lost Property Office of the City of Schwabach. The proceeds will be donated to the "Förderverein der Schwabacher Integrationsstiftung". The Mayor will act as auctioneer.

(Author text, after <https://www.infranken.de/lk/nuernberg/schwabach-fundfahrraeder-werden-am-sonntag-versteigert-art-5438315> vom 12.04.2022)



Fish auction hall Hamburg, photo source: pixabay | timreinhardt

Kaleidoscope of Auction Types					
	Criteria	Starting Point Buyer	Example	Starting Point Seller	Example
1	Status Provider	Buyer	Ebay local	Seller	Ebay
2	Legal form Provider	Private person / company	Company auctions off old office furniture	State	State school authority invites tenders for the purchase of computers throughout Europe
3	Legal Basis	voluntary	Ebay	compulsory	State foreclosure of real estate

4	Number of objects	One item is auctioned off after the other	One radio licence after the other is auctioned off	Several items are auctioned simultaneously	All radio licences to be auctioned at the same time
5	Form of articulation	written	Real estate purchase	verbal	Lost and Found at the Football Club
6	Transparency	open	Ebay	secret	Property sale by highest bid in the envelope
7	Direction of counting	from bottom to top	Art auction	from top to bottom	Fish auction
8	Duration of the auction	One-time / fixed date	Public invitation for a school building painting tender	Duration / Several bidding rounds until revoked	Auction of radio licences with numerous bidding rounds
9	Finality of the bid	Bid is binding	Auction at an auction house	Bid can be changed	Auction of sneakers in an auction house with numerous bidding rounds
10	Allotment price	bid price	Art auction	Price bid of the second bidder or the bidder who has just been taken into consideration	"Vickrey auction" (second-price auction), ECB lending to credit institutions according to the "Dutch" tender procedure (everyone pays the price that was just considered)
11	Action opportunity	Bidder	Single-sided Ebay	Bidder and offerer	two-sided cattle market, oriental trade
12	Realisation	online	Ebay	physical	Lost property at the lost property office

## Tasks

1. Divide into groups of 3 to 5. Then read the info box and the kaleidoscope of auction forms.
  - a. There are more auctions than you think. Describe three auctions you know of or have heard about, according to content and procedure.

Using the internet, research three other types of auctions.

- b. Now collect the auctions found in the plenary and ask your questions if necessary.
2. Auctions exist in almost all areas of life and in all forms. Match the following examples with at least three characteristics of the above overview of auction types from the kaleidoscope.

a) A well-known German company is auctioning off all the office furniture in its Erlangen branch as the company is in a restructuring phase. An auctioneer walks through the building with the bidders and calls a minimum price for each item and then increasing prices. Bidders must register beforehand and prove their ability to pay. Bidding takes place by holding up the bidding cards. The winning bid is awarded to the bidder who is the only one still willing to pay the asking price. After the end of the auction, the goods can be collected after payment.

b) Every morning at the fish market in Bremerhaven, the fisherman auction off their catch. The auctioneer goes round and auctions off the individual boxes by calling up the prices very quickly from top to bottom. The last person to raise their hand in response to the auctioneer will purchase the goods.

c) In Bonn, most private houses and condominiums are now sold in such a way that potential buyers have to hand over a bid in a sealed envelope to the seller. The highest bid is then accepted. However, it is sometimes the case that the sellers have to contact the buyers due to bids being too low and ask them to raise their bids again.

d) The City of Nuremberg invites tenders to bid for the purchase of 2,000 PCs intended for schools throughout Europe. The offers must be made in writing and are binding. The contract will be awarded to the cheapest bid.

- b.
  - c.
  - d.
3. Using the internet, research the type of auctions that are conducted by the tax office, the district court and the armed forces and describe them.

4. Consider and discuss reasons why pledged items must be sold at public auction and not simply sold at a time when debtors can no longer redeem the pledge.
5. Research and discuss the goal the EU aims to achieve by requiring public work contracts and the purchase of machinery or computers to be put out to public tender across Europe.
6. Design a plan of action detailing how you would auction the jersey of a well-known football star at your school. Define the type, form and rationale of the auction.
7. Write down an economic sector in which there are currently no auctions. Economic sectors include agriculture, industry and crafts as well as services such as banking, insurance, trade, tourism or education.
8. Using the internet, research what is meant by the term "winner's curse". Note down how this fear could be reduced or taken away from the bidders.
9. The auction theory claims that a bidder would feel better if the bid resulted in a hammer price close to the general market or estimated price. What do you think of this claim in the context of buying a used car at an auction?
10. Present the solutions of the respective working groups of tasks 2 to 9 to the class and discuss them.