







Figure 1. The highest bidding price and seller's earning

## Conclusion

Overall, when a network exists between outside investors to exchange information and make interactions in the equity auction, they have more equity assessment information for reference. Venture capitalist's incentive strength  $q$  which needs to be pay to the investors continuously reduced and stabilize in a relatively low level, it proves the effectiveness of the auction mechanism

## References

- [1] Zsoylev H N, Walden J. Asset pricing in large information networks[J]. Journal of Economic Theory, 2011, 146(6): 2252-2280.
- [2] De Groot M H. Reaching a consensus[J]. Journal of the American Statistical Association, 1974, 69(345): 118-121.
- [3] Barabási A L, Albert R. Emergence of scaling in random networks[J]. Science, 1999, 286(5439): 509-512.
- [4] Gompers P A. Grandstanding in the venture capital industry[J]. Journal of Financial economics, 1996, 42(1): 133-156.
- [5] Hegselmann R, Krause U. Opinion dynamics and bounded confidence models, analysis, and simulation[J]. Journal of Artificial Societies and Social Simulation, 2002, 5(3): 1-24.
- [6] Bala V, Goyal S. Learning from neighbours[J]. The Review of Economic Studies, 1998, 65(3): 595-621.