

In-Class Activity: Live DAO Vote — SOLUTIONS

Digital Finance – BSc Course

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DAOs | 20 min | Whole Class

Scenario: Your class DAO has a treasury of CHF 500 to spend on an end-of-semester event. Vote on how to spend it.

Option	Description
A Pizza party	Food & drinks in the classroom
B Guest speaker dinner	Invite a FinTech founder, cover dinner
C Hackathon prizes	Sponsor a 4-hour DeFi hackathon
D Donate to charity	Give to a financial-inclusion NGO

Round 1: Equal Voting (1 person = 1 vote)

A	B	C	D	Winner
Votes				

Round 2: Token-Weighted Voting (whale twist)

Instructor note: Before class, give 3 students folded cards labelled 100, 80, and 70 tokens. Everyone else has 1 token. Reveal after voting.

A	B	C	D	Winner
Weighted votes				

Did the result change? Who were the whales? _____

Round 3: Quadratic Voting (10 voice credits each)

Each person has 10 voice credits. Cost: 1 vote = 1 credit, 2 votes = 4 credits, 3 votes = 9 credits. Allocate across options.

A	B	C	D	Credits used
Your allocation (votes) /10				
A	B	C	D	Winner
Class total (votes)				

Debrief:

Which round was fairest? Why?

Which mechanism did whales prefer? Why?

Which best represents *intensity of preference*?

Answer Key Round 1 is democratic but ignores preference intensity. Round 2 mimics real DAOs (Uniswap, MakerDAO) where large token holders dominate – 3 whales with 250 tokens outvote 27 students with 27 tokens. Round 3 (quadratic) lets passionate minorities express strong preferences but prevents whale dominance since cost grows quadratically. Real-world: Bitcoin uses quadratic funding; most DAOs use token-weighted (Round 2), which is why voter apathy + whale dominance are major governance problems.