1. Suppose that you have just finished computing the array \( \text{dist}[1..V, 1..V] \) of shortest-path distances between all pairs of vertices in an edge-weighted directed graph \( G \). Unfortunately, you discover that you incorrectly entered the weight of a single edge \( u \rightarrow v \), so all that precious CPU time was wasted. Or was it? Maybe your distances are correct after all!

In each of the following problems, let \( w(u \rightarrow v) \) denote the weight that you used in your distance computation, and let \( w'(u \rightarrow v) \) denote the correct weight of \( u \rightarrow v \).

(a) Suppose \( w(u \rightarrow v) > w'(u \rightarrow v) \); that is, the weight you used for \( u \rightarrow v \) was larger than its true weight. Describe an algorithm that repairs the distance array in \( O(V^2) \) time under this assumption. [Hint: For every pair of vertices \( x \) and \( y \), either \( u \rightarrow v \) is on the shortest path from \( x \) to \( y \) or it isn’t.]

(b) Maybe even that was too much work. Describe an algorithm that determines whether your original distance array is actually correct in \( O(1) \) time, again assuming that \( w(u \rightarrow v) > w'(u \rightarrow v) \). [Hint: Either \( u \rightarrow v \) is the shortest path from \( u \) to \( v \) or it isn’t.]

(c) To think about later: Describe an algorithm that determines in \( O(VE) \) time whether your distance array is actually correct, even if \( w(u \rightarrow v) < w'(u \rightarrow v) \).

(d) To think about later: Argue that when \( w(u \rightarrow v) < w'(u \rightarrow v) \), repairing the distance array requires recomputing shortest paths from scratch, at least in the worst case.

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2. You—yes, you—can cause a major economic collapse with the power of graph algorithms!¹

The arbitrage business is a money-making scheme that takes advantage of differences in currency exchange. In particular, suppose that 1 US dollar buys 120 Japanese yen; 1 yen buys 0.01 euros; and 1 euro buys 1.2 US dollars. Then, a trader starting with $1 can convert their money from dollars to yen, then from yen to euros, and finally from euros back to dollars, ending with $1.44! The cycle of currencies \( \$ \rightarrow ¥ \rightarrow € \rightarrow \$ \) is called an arbitrage cycle. Of course, finding and exploiting arbitrage cycles before the prices are corrected requires extremely fast algorithms.

Suppose \( n \) different currencies are traded in your currency market. You are given the matrix \( R[1..n] \) of exchange rates between every pair of currencies; for each \( i \) and \( j \), one unit of currency \( i \) can be traded for \( R[i,j] \) units of currency \( j \). (Do not assume that \( R[i,j] \cdot R[j,i] = 1 \).)

(a) Describe an algorithm that returns an array \( V[1..n] \), where \( V[i] \) is the maximum amount of currency \( i \) that you can obtain by trading, starting with one unit of currency 1, assuming there are no arbitrage cycles.

(b) Describe an algorithm to determine whether the given matrix of currency exchange rates creates an arbitrage cycle.

*(c) To think about later: Modify your algorithm from part (b) to actually return an arbitrage cycle, if such a cycle exists.

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¹No, you can’t.