

Assignment on Repeated Prisoner's Dilemma

RPD1.

Given the following payoff matrices for the Prisoner's Dilemma Game, let β be the discount factor.

2,2	-1,3
3,-1	0,0

- (i) Find $\delta \in (0,1)$ so that $\beta > \delta$ implies $\langle \text{PR}, \text{PR} \rangle$ is a SE.
- (ii) Find $\delta \in (0,1)$ so that $\beta > \delta$ implies $\langle \text{TFT}, \text{TFT} \rangle$ is a SE.

RPD2.

Given the following payoff matrices for the Prisoner's Dilemma Game, let β be the discount factor.

2,2	-1,3
3,-1	0,0

Let s be a nice strategy (start with Cooperate and never the first one to Defect) such that $\langle s, s \rangle$ is a SE. Show that there is a constant K independent of s such that $\beta \geq K$.

RPD3.

Let S be the strategy that it will start with C and continue to do so until the opponent plays D in the previous game. In this case, this strategy will play C with probability $1/3$ and D with probability $2/3$. Find the transition matrix when Player I uses S and Player II uses TFT.

RPD4.

Use the Prisoner's Dilemma payoff matrix in Problem RPD1 to show that in a population using ALLD and PR, PR is an ESS when β is sufficiently large.