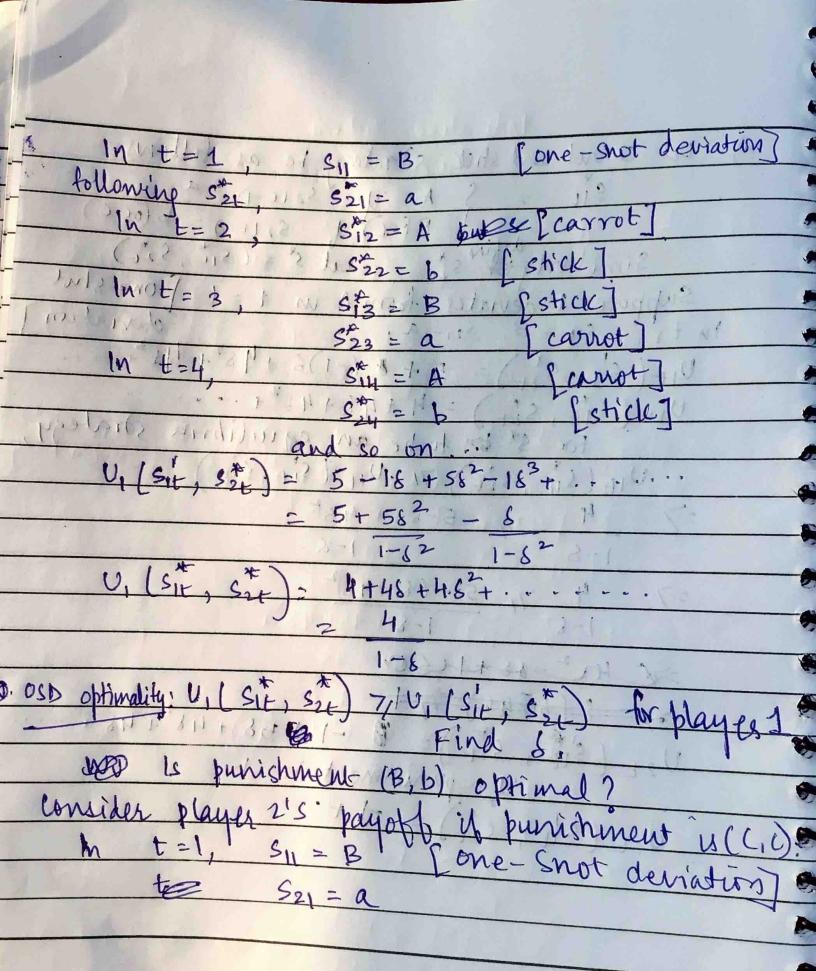
carrot and stick p (00.0 BECC = (SIE, S2+) se Let 50 one-shot from A in deviation 4 + 4 8 + 4 62 to be an equilibria sorat For **6** Sit 71 VIE LSit , 524 1.



Let six denote strategy for i with punishment  $CC_iC)$ .

In t=2, c\* stick \_ S22 = c [stick] In t=3 S 13 = C (carrot) S622 = a [carnot] 3 4 = A [stide] 5 = C and so on U2 (511, 52t) = -1 + 28 + 282 + 283 + --... Punishment 12 (Sic, Sit) = -1 + 58 - 82 + 583 - 84 + ... check one-shot deviation for player 2 U2151 1521) 7 U2 (Sit, 521) 101 mg then (C,C) as punishment dominates Find relevant values of S.