

Game Theory, Fall 2022

Problem Set 3

Due on Oct 10 in class

1. ST Exercise 5.4.
2. ST Exercise 5.9.
3. ST Exercise 5.10.
4. ST Exercise 5.12
5. Consider the asymmetric Bertrand competition in ST Exercise 5.12 again. Now assume that the firms can charge any prices, as is the example we covered in class. But assume that when there is a tie in prices, the consumers buy from the firm with lower marginal cost (firm 1). Find all Nash equilibria.
6. ST Exercise 5.16
7. ST Exercise 6.5
8. ST Exercise 6.8