HW 22.4

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Posted solution review

4. If its stage game has exactly one Nash equilibrium, how many subgame perfect equilibria does a two-period, repeated game have? Explain. Would your answer change if there were T periods, where T is any finite integer?

In the second period, you can't have subgame perfection without playing the NE of the stage game. If there's only one NE in the stage game, period two won't affect period one. The only SPE is the NE in both periods. This carries for T periods and doesn't change.