7.1 Iterated Dominance and Rationalizability

Thursday, September 10, 2020 4:19 PM

		Bob			
		B_1	~~B_2~~	B_3	B_4
Alice	A_1	4,1	1,2	2,5	1,4
	A_2	2,3	3,1	1,0	1,2
	A_3	2,5	1,1	1,4	3,0

B_2 dom by mix $B_1 + B_3$

Eliminate B_2 to create R_1

Alice has no dominated strategies

R_1

		Bob			
		B_1	~~B_2~~	B_3	B_4
Alice	A_1	4,1		2,5	1,4
	~~A_2~~	2,3		1,0	1,2
	A_3	2,5		1,4	3,0

A_2 dom by $A_1 + A_3$

R_2

		Bob			
		B_1	~~B_2~~	B_3	~~B_4~~
Alice	A_1	4,1		2,5	1,4
	~~A_2~~				
	A_3	2,5		1,4	3,0

B_4 dom by B_3

R_3

		Bob			
		B_1	~~B_2~~	B_3	~~B_4~~
Alice	A_1	4,1		2,5	
	~~A_2~~				
	~~A_3~~	2,5		1,4	

A_3 dom by A_1

R_4

		Bob			
		~~B_1~~	~~B_2~~	B_3	~~B_4~~
Alice	A_1	4,1		2,5	
	~~A_2~~				
	~~A_3~~				

B_1 dom by B_3

R_5

		Bob			
		~~B_1~~	~~B_2~~	B_3	~~B_4~~
Alice	A_1			2,5	
	~~A_2~~				
	~~A_3~~				

You can eliminate dominated strategies