

Passed Solution review

Imagine that there are three major network-affiliate television stations in Turlock, California: RBC, CBC, and MBC. All three stations have the option of airing the evening network news program live at 6:00 P.M. or in a delayed broadcast at 7:00 P.M. Each station's objective is to maximize its viewing audience in order to maximize its advertising revenue. The following normal-form representation describes the share of Turlock's total population that is "captured" by each station as a function of the times at which the news programs are aired. The stations make their choices simultaneously. The payoffs are listed according to the order **RBC**, **CBC**, **MBC**. Find the set of rationalizable strategies in this game.

		CBC	
		6:00	7:00
RBC	6:00	14 , 24, 32	8 , 30, 27
	7:00	30, 16, 24	13, 12 , 50

		CBC	
		6:00	7:00
RBC	6:00	16, 24, 30	30, 16, 24
	7:00	30, 23 , 14	14, 24, 32

6:00
7:00

MBC

$$\begin{aligned}
 R^0 &= \{6, 7\} \times \{6, 7\} \times \{6\text{pm}\} = \{7\text{pm}, 6\text{pm}, 6\text{pm}\} \\
 R^1 &= \{7\} \times \{6, 7\} \times \{6\} \\
 R^2 &= \{7\} \times \{6\} \times \{6\}
 \end{aligned}$$

