

Pessed Solution Review

9. Consider the simple poker game described in Exercise 1 of Chapter 24, where there are just two cards in the deck and one card is dealt to player 1. This game has a single Nash equilibrium (perhaps in mixed strategies). Calculate and report the equilibrium strategy profile. Explain whether bluffing occurs in equilibrium.

$\begin{array}{c} 1 \\ \backslash \\ 2 \end{array}$	B	F
Bb	0, 0	1, -1
Bf	$\frac{1}{2}, \frac{1}{2}$	0, 0
Fb	$-\frac{3}{2}, \frac{3}{2}$	0, 0
Ff	-1, 1	-1, 1

Player 2 bluffs when they have a king because they always bid

NE = BF, B

See ex 24.1. The eq is in mixed strategies. P sometimes bids w/ a king (1/3 of the time)