HW 9.2

Thursday, October 1, 2020 10:11 AM

Find the Nash equilibria of and the set of rationalizable strategies for the games in Exercise 1 at the end of Chapter 6.

NE = (B,L) and S=(B,L)

1 \ 2	L	R
A	3, 3	2, 0
B	4, 1	8, –1

(a)

NE = (U,L) and (M,C)

L dom R

1 \ 2	L	C	R
U	5, 9	0, 1	4, 3
M	3, 2	0, 9	1, 1
D	2, 8	0, 1	8, 4

UL makes more sense

(b)

NE = (U,X)

1 \ 2	W	X	Y	Z
U	3, 6	4, 10	5, 0	0, 8
M	2, 6	3, 3	4, 10	1, 1
D	1, 5	2, 9	3, 0	4, 6

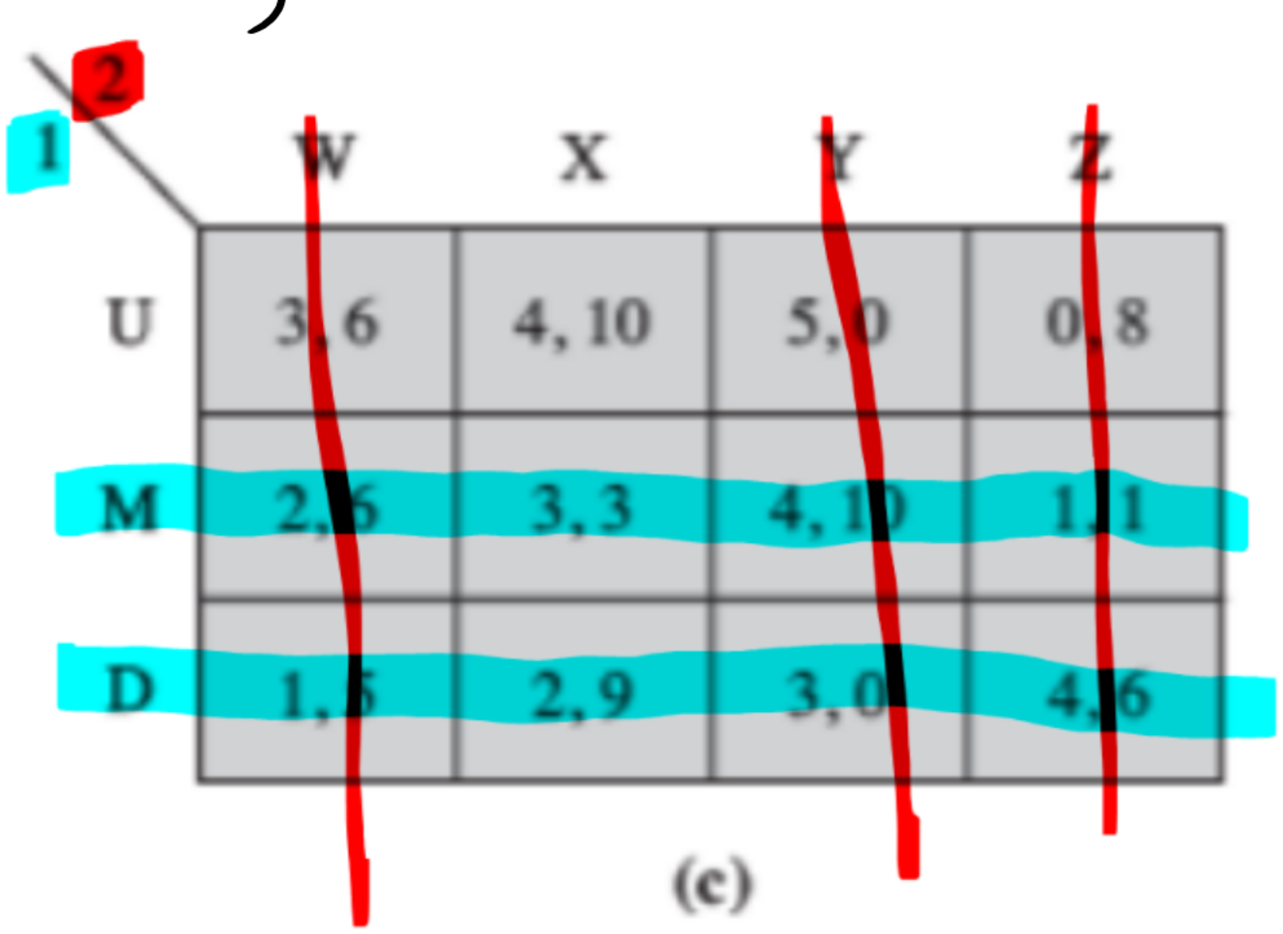
(c)

S = (U,X)

1 \ 2	L	R
U	1, 1	0, 0
D	0, 0	5, 5

(d)

All s are rationalizable



(c)