

9.4 Nash Equilibrium - Partnership

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7:26 PM

$$u_1 = \frac{1}{2}(e_1 + e_2 + e_1 e_2) - \frac{1}{2}e_1^2$$

$$\frac{du_1}{de_1} = \frac{1}{2}(1 + \frac{1}{4}\bar{e}_2) - e_1 = 0 \quad BR_1(\bar{e}_2) = \frac{1}{2} + \frac{1}{8}\bar{e}_2 \leftarrow 2 \text{ equations} - 2 \text{ unknown}$$

Same for player 2

