

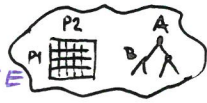
① Players

② Strategies (set):

a) Pure $\rightarrow 100\%$

b) Mixed \rightarrow random

③ Payoffs: MATRIX & TREE



④ Dominated Strategy (D.S.) hit vs shit

⑤ Best response

⑥ Dominant solution Win-Win

⑦ Iterated elimination of D.S. [IEDS]

⑧ Pareto efficiency better for all

⑨ Nash equilibrium no one regret

⑩ Stackelberg game (1) \rightarrow (2)

⑪ Bertrand model (1) $\xrightarrow{\text{now!}}$ (2)

⑫ Entry game

⑬ Strategy profile

⑭ Nash in case of Stackelberg

⑮ Dominated in case of Stackelberg

Game Theory

MICROECONOMICS

① Consumer spends all his budget!

② Solution is the same if price & budget increase at the same lvl
 $x(p, w) = x(p, w)$

③ Indirect utility fun. $\rightarrow v(p, w) = u(x^*) \Leftrightarrow$ just substitute $x = x(p, w)$

$$x(p, w) = - \frac{\partial v(p, w)}{\partial p}$$

④ $x(p, w) = - \frac{\partial v(p, w)}{\partial p}$

⑤ UMP & EMP are dual problems

⑥ Hicksian Demand fun. \rightarrow solution of EMP

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$$x^* = h(p, u_0)$$

⑦ Expenditure fun $\rightarrow e(p, \bar{u}_0) = p \cdot h(p, u)$

⑧ Cournot vs Cartel

⑨