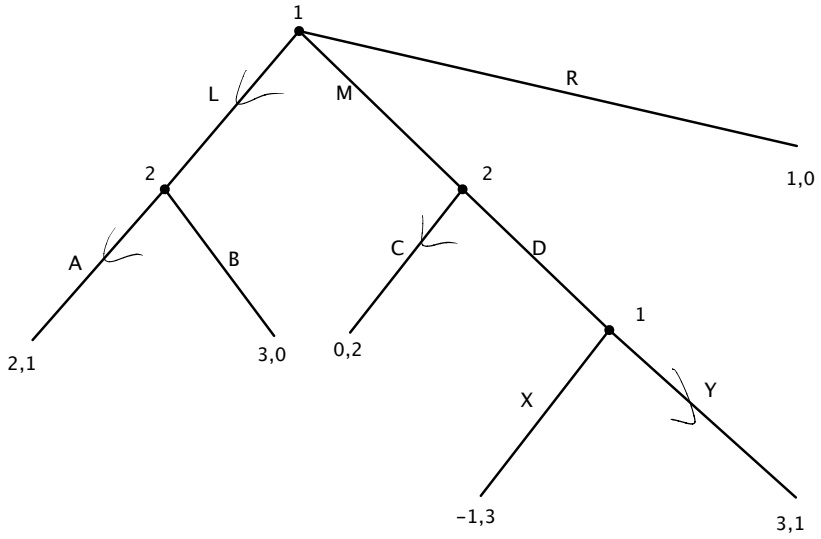
Activity: Finding Subgame Perfect Equilibria

Econ 305

Brandon Lehr

Find all of the subgame perfect equilibria of the following games:

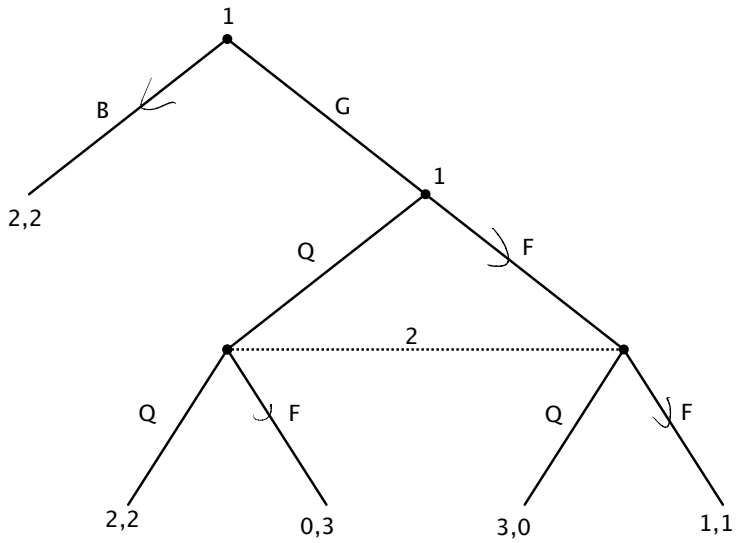
1 Game 1



(L Y, AC) is a subgame perfect equilibrium

2 Game 2

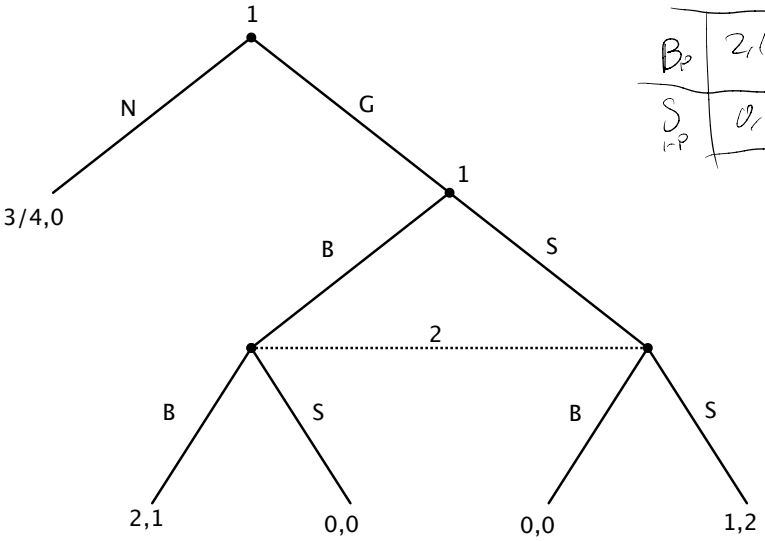
Consider this alternative version of the Prisoner's Dilemma where player 1 first decides whether or not to play the Prisoner's Dilemma game, G, or go to the beach B



(BF, F) is a subgame ~~perfect~~ equilibrium

3 Game 3

Consider this alternative version of simultaneous "Bach or Stravinsky" where player 1 first decides whether or not to play this coordination game, G, or cancel the concert in favor of watching Netflix at home, N.



	B	S
B	2,1	0,0
S	0,0	1,2

$(N(\frac{2}{3}B+\frac{1}{3}S), \frac{1}{3}B+\frac{2}{3}S)$

(GB, B)

(GS, S)

are subgame perfect equilibria