**Microeconomics III, Session 3**

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| 10:15 (5) | Welcome: Later today, we will do a quick evaluation of these exercise classes. I’ll come back to that.  Outline: As I wrote, we start out with a Kahoot quiz where you can test yourself in the A exercises.  We also skip **Ex. 5** and go through **Ex. 2 from PS4** instead. | If you’ve already completed the Problem Set, you can work on the TH assignment.  We will do Ex. 5 next week. |
| 10:20 (10)  10:30 (5)  10:35 (5)  10:40 (5)  10:45 (5)  10:50 (10) | Preparation: Talk about all the exercises. You should be ready to give quick answers as a team.  Kahoot! Focus on giving the right answer, rather than being quick.  Ex. 1: In the first game, we look at the relationship between strict dominance and best responses.  Ex. 2: On equilibrium selection.  Ex. 3: Give the informal proof only.  Ex. 4: Mixed strategies applied to a case with uninformed customers. | I won’t go through the individual results, but if you want, you can be anonymous.  s’ = “s-prime” |
| 11:00 | 15 min pause |  |
| 11:15 (15) | PS 4, Ex. 2: Standard NE: Write up the expected payoff; take the FOC to find the BR-function. | *Show the game tree after 5 min* |
| 11:30 (10) | Ex. 6: **c)**  **d)** As expected, a monopoly leads to lower total supply, higher price, and higher total profit.  Firms gain from initial effect in (c) and there is no second effect. | Are firm 1 and 2 better/worse off? Why? |
| 11:40 (15) | Ex. 7: Startwith the exercises now. In 10 min (?), I’ll go through question *(a)*.  After the break, you’ll have more time to work with the rest of them.  Before the break, we will also do a quick evaluation. | I’ll hand out some yellow post-its for the evaluation, but ignore them for now.  *Show the hint after 2 min.* |
| 10:55 (5) | Evaluation: Please take a yellow post-it and write down:  **One** thing that works well in these exercise classes and **one** possible improvement. |  |
| 12:00 | 15 min pause |  |
| 12:15 (20) | Ex. 7: Continue working on the exercises… |  |
| 12:35 (25) | Ex. 8: | *Show the hints after 2 min* |