

# Game Theory Assignment 1

## Fictitious Play

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## Experiment Environment

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The experiment environment is based on

- Windows 10 Education 22H2
- Python 3.12 with package
  - Numpy 1.26.0

## Source Code Overview

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### Setup

The *FictitiousPlay* object will be constructed with *gameType* (which game does the user want to simulate by fictitious play model), *iterTime* (the number of game round), *numPrev* (the sum of prior belief, means how much rounds does two player already played before round 0), and *actionTh* (threshold for stopping the iteration if two players keep choosing the same best response).

```
1 class FictitiousPlay():
2     def __init__(self, gameType, iterTime, numStrategy = 2, numPrev
      = 1000):
3         self.gameType = gameType
4         self.iterTime = iterTime
5         # fictitious play is designed for games with 2 player
6         self.numPlayer = 2
7         # the threshold of repeated action
8         # if two player repeat the same action for more than actionTh
      times, stop the iteration
9         self.actionTh = 3000
10        self.numStrategy = numStrategy
11        self.numPrev = numPrev
12        self.payoffMat = np.zeros([self.numPlayer * self.numStrategy,
      self.numStrategy])
13        self.beliefMat = np.zeros([self.numPlayer, self.numStrategy])
14        self.actionSet = np.zeros([self.numPlayer, iterTime + 1],
      dtype = np.uint8)
15        self.payoffSet = np.zeros([self.numPlayer, iterTime,
      self.numStrategy])
```

After knowing the game type, *game\_selection* function will setup the payoff matrix.

```
1 def game_selection(self):
2     # set the payoff matrix of each player
3     if self.gameType == "Q1":
4         self.payoffMat[:self.numStrategy, :] = [[-1, 1], [0, 3]]
5         self.payoffMat[self.numStrategy:, :] = [[-1, 1], [0, 3]]
```

The initial belief can be defined by programmer or assigned randomly.

```
1 def init_belief(self):
2     # setup the prior belief of each player
3     if self.numPrev == -1:
4         self.beliefMat = np.array([[500, 500], [500, 500]])
5     else:
6         playTime = random.uniform(0, self.numPrev)
7         self.beliefMat[0, :] = [playTime, (self.numPrev - playTime)]
8         playTime = random.uniform(0, self.numPrev)
9         self.beliefMat[1, :] = [playTime, (self.numPrev - playTime)]
```

The *payoff\_cal* function will calculate the payoff by player's belief and payoff.

```
1 def payoff_cal(self, belief, payoffMat):
2     # calculate the payoff of player by belief
3     payoff = np.zeros([self.numStrategy])
4     # beliefNor = belief / np.sum(belief)
5     beliefNor = belief
6     for idx in range(self.numStrategy):
7         payoff[idx] = np.sum(np.multiply(beliefNor, payoffMat[idx]))
8     return payoff
```

For each iteration in *play\_loop* function, the payoff of each player will be calculated to find the best response (randomly choose if the payoffs are same for each strategy), and the belief will be updated according to the other player's strategy. The iteration may be stopped due to the repeated selection of the same best response for two players.

```
1 def play_loop(self):
2     pre_action1 = -1; pre_action2 = -1
3     for iter in range(self.iterTime):
4         # calculate the payoff to find the best response
5         self.payoffSet[0, iter, :] = self.payoff_cal(self.beliefMat[0,
6         :], self.payoffMat[:2, :])
7         self.payoffSet[1, iter, :] = self.payoff_cal(self.beliefMat[1,
8         :], self.payoffMat[2:, :])
9
10        self.logger(iter, self.actionSet[:, iter], self.beliefMat,
11        self.payoffSet[:, iter, :])
12
13        # same payoff for each strategy --> choose randomly
14        if self.payoffSet[0, iter, 0] == self.payoffSet[0, iter, 1]:
15            action1 = randint(0, 1)
16        # different payoff--> choose best response
17        else:
18            action1 = int(np.argmax(self.payoffSet[0, iter, :]))
19        self.actionSet[0, iter + 1] = action1
20        if self.payoffSet[1, iter, 0] == self.payoffSet[1, iter, 1]:
21            action2 = randint(0, 1)
22        else:
23            action2 = int(np.argmax(self.payoffSet[1, iter, :]))
24        self.actionSet[1, iter + 1] = action2
25
26        # update the other player's belief
27        self.beliefMat[1, self.actionSet[0, iter + 1]] += 1
28        self.beliefMat[0, self.actionSet[1, iter + 1]] += 1
29
30        if action1 == pre_action1 and action2 == pre_action2:
31            self.actionTh -= 1
32            if self.actionTh == 0:
33                # print("early stop with repeated best response")
34                self.logger(iter, self.actionSet[:, iter], self.beliefMat,
35                self.payoffSet[:, iter, :], last = True)
36                break
37        pre_action1, pre_action2 = action1, action2
```

# Questions

## Q1. One pure-strategy Nash Equilibrium

The following block shows the result of Q1 by fictitious play, for each iteration the program will print out the action, belief and payoff of each player. When the game end (or converge), the strategy distribution will be shown, which can be use to find the mixed or pure strategy of the game (the strategy distribution only considers the actions after round 0, which means the prior belief is ignored).

```
1           Round 0
2 belief of player1: [264.93 735.07], player2: [231.05 768.95]
3 payoff of player1: [ 470.15 2205.22], player2: [ 537.9  2306.86]
4 =====
5           Round 1
6 action of player1: 1, palyer2: 1
7 belief of player1: [264.93 736.07], player2: [231.05 769.95]
8 payoff of player1: [ 471.15 2208.22], player2: [ 538.9  2309.86]
9 =====
10 .
11 .
12 =====
13           Round 3000
14 action of player1: 1, palyer2: 1
15 belief of player1: [ 264.93 3736.07], player2: [ 231.05 3769.95]
16 payoff of player1: [ 3470.15 11205.22], player2: [ 3537.9
    11306.86]
17 =====
18 strategy distribution of player1: [0. 1.], player2: [0. 1.]
```

The pure-strategy NE  $(r_2, c_2)$  can be found by fictitious paly. For player1, the best response will always be  $r_2$  not matter what strategy player2 chooses, and vice versa.

## Q2. Two or more pure-strategy NE

```
1           Round 0
2 belief of player1: [637.08 362.92], player2: [551.77 448.23]
3 payoff of player1: [1637.08 1088.77], player2: [1551.77 1344.7 ]
4 =====
5           Round 1
6 action of player1: 0, palyer2: 0
7 belief of player1: [638.08 362.92], player2: [552.77 448.23]
8 payoff of player1: [1639.08 1088.77], player2: [1553.77 1344.7 ]
9 =====
10 .
11 .
12 =====
13           Round 3000
14 action of player1: 0, palyer2: 0
15 belief of player1: [3638.08 362.92], player2: [3552.77 448.23]
16 payoff of player1: [7637.08 1088.77], player2: [7551.77 1344.7 ]
17 =====
18 strategy distribution of player1: [1. 0.], player2: [1. 0.]
```

```

1           Round 0
2 belief of player1: [297.91 702.09], player2: [487.34 512.66]
3 payoff of player1: [1297.91 2106.28], player2: [1487.34 1537.97]
4 =====
5           Round 1
6 action of player1: 1, palyer2: 1
7 belief of player1: [297.91 703.09], player2: [487.34 513.66]
8 payoff of player1: [1298.91 2109.28], player2: [1488.34 1540.97]
9 =====
10 .
11 .
12 =====
13           Round 3000
14 action of player1: 1, palyer2: 1
15 belief of player1: [ 297.91 3703.09], player2: [ 487.34 3513.66]
16 payoff of player1: [ 4297.91 11106.28], player2: [ 4487.34
17 10537.97]
18 =====
strategy distribution of player1: [0. 1.], player2: [0. 1.]

```

The pure-strategy NE  $(r_1, c_1)$  and  $(r_2, c_2)$  can be found by fictitious paly. No matter what the initial belief is, at some point the game will lead the belief of both players to  $(x, y), x = y$ , and the result will have two situation:

1. Once the belief of both player are  $(x, y), x > y$ , player1 will keep choosing  $r_1$  rather than  $r_2$ , and player2 will keep choosing  $c_1$  rather than  $c_2$ , which result in pure-strategy NE  $(r_1, c_1)$ .
2. Once the belief of both player are  $(x, y), x < y$ , player1 will keep choosing  $r_2$  rather than  $r_1$ , and player2 will keep choosing  $c_2$  rather than  $c_1$ , which result in pure-strategy NE  $(r_2, c_2)$ .

### Q3: Two or more pure-strategy NE (Conti.)

```

1           Round 0
2 belief of player1: [179.43 820.57], player2: [741.07 258.93]
3 payoff of player1: [179.43 0. ], player2: [741.07 0. ]
4 =====
5           Round 1
6 action of player1: 0, palyer2: 0
7 belief of player1: [180.43 820.57], player2: [742.07 258.93]
8 payoff of player1: [180.43 0. ], player2: [742.07 0. ]
9 =====
10 .
11 .
12 =====
13           Round 3000
14 action of player1: 0, palyer2: 0
15 belief of player1: [3180.43 820.57], player2: [3742.07 258.93]
16 payoff of player1: [3179.43 0. ], player2: [3741.07 0. ]
17 =====
18 strategy distribution of player1: [1. 0.], player2: [1. 0.]

```

Only one pure-strategy NE  $(r_1, c_1)$  can be found by fictitious paly. Defining  $(b_{c1}, b_{c2}), b_{c1} > 0, b_{c2} > 0$  as player1's initial belief,  $(b_{r1}, b_{r2}), b_{r1} > 0, b_{r2} > 0$  as player2's initial belief, the payoff of  $r_1$  ( $c_1$ ) will always be larger than  $r_2$  ( $c_2$ ), so the result will only converge to NE  $(r_1, c_1)$ .

## Q4: Mixed-Strategy Nash Equilibrium

```

1      Round 0
2      belief of player1: [336.21 663.79], player2: [664.74 335.26]
3      payoff of player1: [1327.58 672.42], player2: [664.74 1341.03]
4      =====
5      Round 1
6      action of player1: 0, palyer2: 1
7      belief of player1: [336.21 664.79], player2: [665.74 335.26]
8      payoff of player1: [1329.58 672.42], player2: [665.74 1341.03]
9      =====
10     .
11     .
12     =====
13     Round 4999
14     action of player1: 0, palyer2: 1
15     belief of player1: [2864.21 3134.79], player2: [4647.74 1351.26]
16     payoff of player1: [6269.58 5728.42], player2: [4647.74 5405.03]
17     =====
18     strategy distribution of player1: [0.8 0.2], player2: [0.51 0.49]

```

The mixed-strategy NE  $P(r_1) = \frac{4}{5}, P(r_2) = \frac{1}{5}, P(c_1) = \frac{1}{2}, P(c_2) = \frac{1}{2}$  can be found by fictitious paly. The best response of two player can be analysis by four situation:

1. belief  $b_{c1} > b_{c2}, b_{r1} > b_{r2}$ , **player1 will choose  $r_2$  as best response**, player2 will choose  $c_1$ , which lead to situation 2
2. belief  $b_{c1} > b_{c2}, b_{r1} < b_{r2}$ , player1 will choose  $r_2$  as best response, **player2 will choose  $c_2$** , which lead to situation 3
3. belief  $b_{c1} < b_{c2}, b_{r1} < b_{r2}$ , **player1 will choose  $r_1$  as best response**, player2 will choose  $c_2$ , which lead to situation 4
4. belief  $b_{c1} < b_{c2}, b_{r1} > b_{r2}$ , player1 will choose  $r_1$  as best response, **player2 will choose  $c_1$** , which lead to back to situation 1

With large number of iteration and the best response cycle mentioned above, the mixed-strategy NE can be found by fictitious play.

## Q5: Best-reply path

```

1      Round 0
2      belief of player1: [846.93 153.07], player2: [768.67 231.33]
3      payoff of player1: [153.07 846.93], player2: [768.67 231.33]
4      =====
5      Round 1
6      action of player1: 1, palyer2: 0
7      belief of player1: [847.93 153.07], player2: [768.67 232.33]
8      payoff of player1: [153.07 847.93], player2: [768.67 232.33]
9      =====
10     .
11     .
12     =====
13     Round 4999
14     action of player1: 1, palyer2: 0
15     belief of player1: [3380.93 2618.07], player2: [3235.67 2763.33]
16     payoff of player1: [2618.07 3380.93], player2: [3235.67 2763.33]
17     =====
18     strategy distribution of player1: [0.49 0.51], player2: [0.51 0.49]

```

The mixed-strategy NE  $P(r_1) = \frac{4}{5}, P(r_2) = \frac{1}{5}, P(c_1) = \frac{1}{2}, P(c_2) = \frac{1}{2}$  can be found by fictitious paly. The best response of two player can be analysis by four situation:

1. belief  $b_{c1} > b_{c2}, b_{r1} > b_{r2}$ , **player1 will choose  $r_2$  as best response**, player2 will choose  $c_1$ , which lead to situation 2
2. belief  $b_{c1} > b_{c2}, b_{r1} < b_{r2}$ , player1 will choose  $r_2$  as best response, **player2 will choose  $c_2$** , which lead to situation 3
3. belief  $b_{c1} < b_{c2}, b_{r1} < b_{r2}$ , **player1 will choose  $r_1$  as best response**, player2 will choose  $c_2$ , which lead to situation 4
4. belief  $b_{c1} < b_{c2}, b_{r1} > b_{r2}$ , player1 will choose  $r_1$  as best response, **player2 will choose  $c_1$** , which lead to back to situation 1

With large number of iteration and the best response cycle mentioned above, the mixed-strategy NE can be found by fictitious play.

## Q6: Pure-Coordination Game

```

1          Round 0
2 belief of player1: [859.82 140.18], player2: [814.87 185.13]
3 payoff of player1: [8598.24 1401.76], player2: [8148.69 1851.31]
4 =====
5          Round 1
6 action of player1: 0, palyer2: 0
7 belief of player1: [860.82 140.18], player2: [815.87 185.13]
8 payoff of player1: [8608.24 1401.76], player2: [8158.69 1851.31]
9 =====
10 .
11 .
12 =====
13          Round 4999
14 action of player1: 0, palyer2: 0
15 belief of player1: [5858.82 140.18], player2: [5813.87 185.13]
16 payoff of player1: [58588.24 1401.76], player2: [58138.69
17 1851.31]
18 =====
19 strategy distribution of player1: [1. 0.], player2: [1. 0.]
20
21          Round 0
22 belief of player1: [224.77 775.23], player2: [ 57.43 942.57]
23 payoff of player1: [2247.67 7752.33], player2: [ 574.34 9425.66]
24 =====
25          Round 1
26 action of player1: 1, palyer2: 1
27 belief of player1: [224.77 776.23], player2: [ 57.43 943.57]
28 payoff of player1: [2247.67 7762.33], player2: [ 574.34 9435.66]
29 =====
30 .
31 .
32 =====
33          Round 4999
34 action of player1: 1, palyer2: 1
35 belief of player1: [ 224.77 5774.23], player2: [ 57.43 5941.57]
36 payoff of player1: [ 2247.67 57742.33], player2: [ 574.34
37 59415.66]
38 =====
39 strategy distribution of player1: [0. 1.], player2: [0. 1.]

```

If the difference of initial payoff is larger than 10 ( $|payoff_{r1} - payoff_{r2}| > 10$  and  $|payoff_{c1} - payoff_{c2}| > 10$ ) The pure-strategy NE  $(r_1, c_1)$  and  $(r_2, c_2)$  can be found by fictitious paly. The result will have two situation:

1. Once the belief of both players are  $(x, y), x > y$ , player1 will keep choosing  $r_1$  rather than  $r_2$ , and player2 will keep choosing  $c_1$  rather than  $c_2$ , which result in pure-strategy NE  $(r_1, c_1)$ .
2. Once the belief of both players are  $(x, y), x < y$ , player1 will keep choosing  $r_2$  rather than  $r_1$ , and player2 will keep choosing  $c_2$  rather than  $c_1$ , which result in pure-strategy NE  $(r_2, c_2)$ .

```

1          Round 0
2 belief of player1: [500.01 499.99], player2: [499.96 500.04]
3 payoff of player1: [5000.1 4999.9], player2: [4999.6 5000.4]
4 =====
5          Round 1
6 action of player1: 0, palyer2: 1
7 belief of player1: [500.01 500.99], player2: [500.96 500.04]
8 payoff of player1: [5000.1 5009.9], player2: [5009.6 5000.4]
9 =====
10 .
11 .
12 =====
13          Round 4999
14 action of player1: 0, palyer2: 1
15 belief of player1: [2999.01 2999.99], player2: [2999.96 2999.04]
16 payoff of player1: [29990.1 29999.9], player2: [29999.6 29990.4]
17 =====
18 strategy distribution of player1: [0.5 0.5], player2: [0.5 0.5]

```

If the difference of initial payoff is lower than 10 ( $|payoff_{r1} - payoff_{r2}| < 10$  and  $|payoff_{c1} - payoff_{c2}| < 10$ ) and initial strategy distribution of two player is  $b_{r1} > b_{r2}, b_{c1} < b_{c2}$  or  $b_{r1} < b_{r2}, b_{c1} > b_{c2}$ , the mixed-strategy NE  $P(r_1) = \frac{1}{2}, P(r_2) = \frac{1}{2}, P(c_1) = \frac{1}{2}, P(c_2) = \frac{1}{2}$  can be found by fictitious paly. Since the best response of each iteration will be lead to the cycle between  $(r_1, c_2)$  and  $(r_2, c_1)$ .

## Q7: Anti-Coordination game

```

1          Round 0
2 belief of player1: [179.25 820.75], player2: [559.01 440.99]
3 payoff of player1: [820.75 179.25], player2: [440.99 559.01]
4 =====
5          Round 1
6 action of player1: 0, palyer2: 1
7 belief of player1: [179.25 821.75], player2: [560.01 440.99]
8 payoff of player1: [821.75 179.25], player2: [440.99 560.01]
9 =====
10 .
11 .
12 =====
13          Round 4999
14 action of player1: 0, palyer2: 1
15 belief of player1: [ 179.25 5819.75], player2: [5558.01  440.99]
16 payoff of player1: [5819.75  179.25], player2: [ 440.99 5558.01]
17 =====
18 strategy distribution of player1: [1. 0.], player2: [0. 1.]

```

```

1           Round 0
2 belief of player1: [963.11  36.89], player2: [165.47 834.53]
3 payoff of player1: [ 36.89 963.11], player2: [834.53 165.47]
4 =====
5           Round 1
6 action of player1: 1, palyer2: 0
7 belief of player1: [964.11  36.89], player2: [165.47 835.53]
8 payoff of player1: [ 36.89 964.11], player2: [835.53 165.47]
9 =====
10 .
11 .
12 =====
13           Round 4999
14 action of player1: 1, palyer2: 0
15 belief of player1: [5962.11  36.89], player2: [ 165.47 5833.53]
16 payoff of player1: [ 36.89 5962.11], player2: [5833.53 165.47]
17 =====
18 strategy distribution of player1: [0. 1.], player2: [1. 0.]

```

If the difference of initial payoff is larger than 1 ( $|payoff_{r1} - payoff_{r2}| > 1$  and  $|payoff_{c1} - payoff_{c2}| > 1$ ) The pure-strategy NE  $(r_1, c_2)$  and  $(r_2, c_1)$  can be found by fictitious paly. The result will have two situation:

1. Once the belief  $b_{r1} > b_{r2}, b_{c1} < b_{c2}$ , player1 will keep choosing  $r_1$  rather than  $r_2$ , and player2 will keep choosing  $c_2$  rather than  $c_1$ , which result in pure-strategy NE  $(r_1, c_2)$ .
2. Once the belief  $b_{r1} < b_{r2}, b_{c1} > b_{c2}$ , player1 will keep choosing  $r_2$  rather than  $r_1$ , and player2 will keep choosing  $c_1$  rather than  $c_2$ , which result in pure-strategy NE  $(r_2, c_1)$ .

```

1           Round 0
2 belief of player1: [500.01 499.99], player2: [500.01 499.99]
3 payoff of player1: [499.99 500.01], player2: [499.99 500.01]
4 =====
5           Round 1
6 action of player1: 1, palyer2: 1
7 belief of player1: [500.01 500.99], player2: [500.01 500.99]
8 payoff of player1: [500.99 500.01], player2: [500.99 500.01]
9 =====
10 .
11 .
12 =====
13           Round 4999
14 action of player1: 1, palyer2: 1
15 belief of player1: [2999.01 2999.99], player2: [2999.01 2999.99]
16 payoff of player1: [2999.99 2999.01], player2: [2999.99 2999.01]
17 =====
18 strategy distribution of player1: [0.5 0.5], player2: [0.5 0.5]

```

If the difference of initial payoff is lower than 1 ( $|payoff_{r1} - payoff_{r2}| < 1$  and  $|payoff_{c1} - payoff_{c2}| < 1$ ) and initial strategy distribution of two player is  $b_{r1} > b_{r2}, b_{c1} > b_{c2}$  or  $b_{r1} < b_{r2}, b_{c1} < b_{c2}$ , the mixed-strategy NE  $P(r_1) = \frac{1}{2}, P(r_2) = \frac{1}{2}, P(c_1) = \frac{1}{2}, P(c_2) = \frac{1}{2}$  can be found by fictitious paly. Since the best response of each iteration will be lead to the cycle between  $(r_1, c_1)$  and  $(r_2, c_2)$ .



## Q8: Battle of the Sexes

```

1      Round 0
2      belief of player1: [505.52 494.48], player2: [887.14 112.86]
3      payoff of player1: [1516.57 988.96], player2: [1774.27 338.59]
4      =====
5      Round 1
6      action of player1: 0, palyer2: 0
7      belief of player1: [506.52 494.48], player2: [888.14 112.86]
8      payoff of player1: [1519.57 988.96], player2: [1776.27 338.59]
9      =====
10     .
11     .
12     =====
13     Round 4999
14     action of player1: 0, palyer2: 0
15     belief of player1: [5504.52 494.48], player2: [5886.14 112.86]
16     payoff of player1: [16513.57 988.96], player2: [11772.27
17     338.59]
18     =====
19     strategy distribution of player1: [1. 0.], player2: [1. 0.]

```

```

1      Round 0
2      belief of player1: [ 9.52 990.48], player2: [ 53.65 946.35]
3      payoff of player1: [ 28.57 1980.95], player2: [ 107.29 2839.06]
4      =====
5      Round 1
6      action of player1: 1, palyer2: 1
7      belief of player1: [ 9.52 991.48], player2: [ 53.65 947.35]
8      payoff of player1: [ 28.57 1982.95], player2: [ 107.29 2842.06]
9      =====
10     .
11     .
12     =====
13     Round 4999
14     action of player1: 1, palyer2: 1
15     belief of player1: [ 9.52 5989.48], player2: [ 53.65 5945.35]
16     payoff of player1: [ 28.57 11978.95], player2: [ 107.29
17     17836.06]
18     =====
19     strategy distribution of player1: [0. 1.], player2: [0. 1.]

```

If the difference of initial payoff is larger than 2 ( $|payoff_{r1} - payoff_{r2}| > 1$  and  $|payoff_{c1} - payoff_{c2}| > 1$ ) The pure-strategy NE  $(r_1, c_2)$  and  $(r_2, c_1)$  can be found by fictitious paly. The result will have two situation:

1. Once the belief  $b_{r1} > b_{r2}, b_{c1} < b_{c2}$ , player1 will keep choosing  $r_1$  rather than  $r_2$ , and player2 will keep choosing  $c_2$  rather than  $c_1$ , which result in pure-strategy NE  $(r_1, c_2)$ .
2. Once the belief  $b_{r1} < b_{r2}, b_{c1} > b_{c2}$ , player1 will keep choosing  $r_2$  rather than  $r_1$ , and player2 will keep choosing  $c_1$  rather than  $c_2$ , which result in pure-strategy NE  $(r_2, c_1)$ .

```

1          Round 0
2 belief of player1: [399.99 600.01], player2: [600.01 399.99]
3 payoff of player1: [1199.97 1200.02], player2: [1200.02 1199.97]
4 =====
5          Round 1
6 action of player1: 1, palyer2: 0
7 belief of player1: [400.99 600.01], player2: [600.01 400.99]
8 payoff of player1: [1202.97 1200.02], player2: [1200.02 1202.97]
9 =====
10         Round 4999
11 action of player1: 1, palyer2: 0
12 belief of player1: [2399.99 3599.01], player2: [3599.01 2399.99]
13 payoff of player1: [7199.97 7198.02], player2: [7198.02 7199.97]
14 =====
15 strategy distribution of player1: [0.6 0.4], player2: [0.4 0.6]

```

If the difference of initial payoff is lower than 2 ( $|payoff_{r1} - payoff_{r2}| < 2$  and  $|payoff_{c1} - payoff_{c2}| < 2$ ) and initial strategy distribution of two player is  $b_{r1} > b_{r2}, b_{c1} < b_{c2}$  or  $b_{r1} < b_{r2}, b_{c1} > b_{c2}$ , the mixed-strategy NE  $P(r_1) = \frac{3}{5}, P(r_2) = \frac{2}{5}, P(c_1) = \frac{2}{5}, P(c_2) = \frac{3}{5}$  can be found by fictitious paly. Since the best response of each iteration will be lead to the cycle between  $(r_1, c_2)$  and  $(r_2, c_1)$ .

## Q9: Stag Hunt Game

```

1          Round 0
2 belief of player1: [642.99 357.01], player2: [903.66 96.34]
3 payoff of player1: [1928.96 1642.99], player2: [2710.97 1903.66]
4 =====
5          Round 1
6 action of player1: 0, palyer2: 0
7 belief of player1: [643.99 357.01], player2: [904.66 96.34]
8 payoff of player1: [1931.96 1644.99], player2: [2713.97 1905.66]
9 =====
10 .
11 .
12 =====
13         Round 4999
14 action of player1: 0, palyer2: 0
15 belief of player1: [5641.99 357.01], player2: [5902.66 96.34]
16 payoff of player1: [16925.96 11640.99], player2: [17707.97
17 11901.66]
18 =====
19 strategy distribution of player1: [1. 0.], player2: [1. 0.]

```

```

1          Round 0
2 belief of player1: [234.27 765.73], player2: [144.81 855.19]
3 payoff of player1: [ 702.8 1234.27], player2: [ 434.42 1144.81]
4 =====
5          Round 1
6 action of player1: 1, palyer2: 1
7 belief of player1: [234.27 766.73], player2: [144.81 856.19]
8 payoff of player1: [ 702.8 1235.27], player2: [ 434.42 1145.81]
9 =====
10 .
11 .
12 =====
13         Round 4999
14 action of player1: 1, palyer2: 1
15 belief of player1: [ 234.27 5764.73], player2: [ 144.81 5854.19]
16 payoff of player1: [ 702.8 6233.27], player2: [ 434.42 6143.81]
17 =====
18 strategy distribution of player1: [0. 1.], player2: [0. 1.]

```

If the difference of payoff during the iteration will always larger than 1

( $|payoff_{r1} - payoff_{r2}| > 1$  and  $|payoff_{c1} - payoff_{c2}| > 1$ ) The pure-strategy NE  $(r_1, c_2)$  and  $(r_2, c_1)$  can be found by fictitious paly. The result will have two situation:

1. Once the belief  $b_{r1} > b_{r2}, b_{c1} > b_{c2}$ , player1 will keep choosing  $r_1$  rather than  $r_2$ , and player2 will keep choosing  $c_1$  rather than  $c_2$ , which result in pure-strategy NE  $(r_1, c_1)$ .
2. Once the belief  $b_{r1} < b_{r2}, b_{c1} < b_{c2}$ , player1 will keep choosing  $r_2$  rather than  $r_1$ , and player2 will keep choosing  $c_2$  rather than  $c_1$ , which result in pure-strategy NE  $(r_2, c_2)$ .

```

1      Round 0
2      belief of player1: [500.01 499.99], player2: [499.99 500.01]
3      payoff of player1: [1500.03 1500.01], player2: [1499.97 1499.99]
4      =====
5      Round 1
6      action of player1: 0, palyer2: 1
7      belief of player1: [500.01 500.99], player2: [500.99 500.01]
8      payoff of player1: [1500.03 1501.01], player2: [1502.97 1501.99]
9      =====
10     .
11     .
12     =====
13     Round 4999
14     action of player1: 0, palyer2: 1
15     belief of player1: [2999.01 2999.99], player2: [2999.99 2999.01]
16     payoff of player1: [8997.03 8998.01], player2: [8999.97 8998.99]
17     =====
18     strategy distribution of player1: [0.5 0.5], player2: [0.5 0.5]

```

If the difference of initial payoff is lower than 1 ( $|payoff_{r1} - payoff_{r2}| < 1$  and  $|payoff_{c1} - payoff_{c2}| < 1$ ) and initial strategy distribution of two player is  $b_{r1} > b_{r2}, b_{c1} < b_{c2}$  or  $b_{r1} < b_{r2}, b_{c1} > b_{c2}$ , the mixed-strategy NE  $P(r_1) = \frac{1}{2}, P(r_2) = \frac{1}{2}, P(c_1) = \frac{1}{2}, P(c_2) = \frac{1}{2}$  can be found by fictitious paly. Since the best response of each iteration will be lead to the cycle between  $(r_1, c_2)$  and  $(r_2, c_1)$ .

## Q10: Observation and Conclusion

to be continue...