	Left	Right
Up	1,1	2,0
Down	0,2	2,2

<u>Stage 1: Investment</u>   <u>Stage 2: Competitive Market</u>

Buyers invest + sellers invest → Investments affect surplus of matching → Buyers & sellers buy contracts to join a match

Stage 1: Investment

Stage 2: Market

Each type t picks an a and pays cost $c(a, t)$

$\longrightarrow$

Attributes $\mu \in M_+(A)$

$\longrightarrow$

Assignment game with a Walrasian equilibrium

<div align="center">Software Entrepreneur</div>

Hardware Entrepreneur	Don't Invest	Invest
Don't Invest	0 0	−1 0
Invest	0 −1	2 − 1 2 − 1

	Seller	
	$s = 0$	$s = 1$
$b = 0$	0 0	$-\frac{1}{4}$ 0
$b = 1$	0 $-\frac{1}{4}$	$\frac{1}{2} - \frac{1}{4}$ $1 - \frac{1}{2} - \frac{1}{4}$

Buyer

Seller

	$s = 0$	$s = 1$
$b = 0$	0 0	$-\frac{1}{4}$ 0
$b = 1$	0 $-\frac{1}{4}$	$0 \ - \ \frac{1}{4}$ $1 - 1 - \frac{1}{4}$

Buyer

		Buyer Payoffs	Seller Payoffs
	(0,0)	$-\tilde{p}^i(0,0)$	$\tilde{p}^j(0,0)$
Matching	(0,1)	$-\tilde{p}^i(0,1)$	$\tilde{p}^j(0,1) - \frac{1}{4}$
Contract	(1,0)	$-\tilde{p}^i(1,0) - \frac{1}{4}$	$\tilde{p}^j(1,0)$
	(1,1)	$1 - \tilde{p}^i(1,1) - \frac{1}{4}$	$\tilde{p}^j(1,1) - \frac{1}{4}$