

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

Stage 1: Investment

Stage 2: Competitive Market



Stage 1: Investment

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

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

Stage 2: Market

Assignment
game
with a
Walrasian
equilibrium

		Software Entrepreneur	
		Don't Invest	Invest
Hardware Entrepreneur	Don't Invest	<div>0</div> <div>0</div>	<div>-1</div> <div>0</div>
	Invest	<div>0</div> <div>-1</div>	<div>2 - 1</div> <div>2 - 1</div>

		Seller	
		$s = 0$	$s = 1$
Buyer	$b = 0$	$\begin{matrix} & 0 \\ 0 & \end{matrix}$	$\begin{matrix} & -\frac{1}{4} \\ 0 & \end{matrix}$
	$b = 1$	$\begin{matrix} & 0 \\ -\frac{1}{4} & \end{matrix}$	$\begin{matrix} & \frac{1}{2} - \frac{1}{4} \\ 1 - \frac{1}{2} - \frac{1}{4} & \end{matrix}$

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

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

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

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

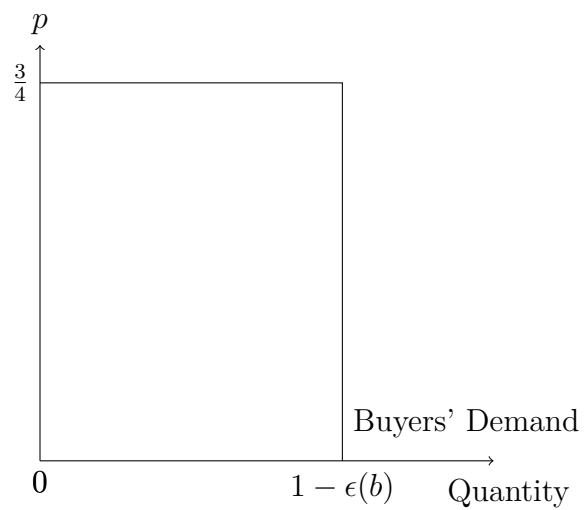
		Buyer Payoffs	Seller Payoffs
Matching Contract	(0,0)	0	0
	(0,1)	0	$0 - \frac{1}{4}$
	(1,0)	$0 - \frac{1}{4}$	0
	(1,1)	$1 - \frac{1}{2} - \frac{1}{4}$	$\frac{1}{2} - \frac{1}{4}$

		Buyer Payoffs	Seller Payoffs
Matching Contract	(0,0)	0	0
	(0,1)	0	$0 - \frac{1}{4}$
	(1,0)	$0 - \frac{1}{4}$	0
	(1,1)	$1 - \textcolor{red}{1} - \frac{1}{4}$	$\textcolor{red}{0} - \frac{1}{4}$

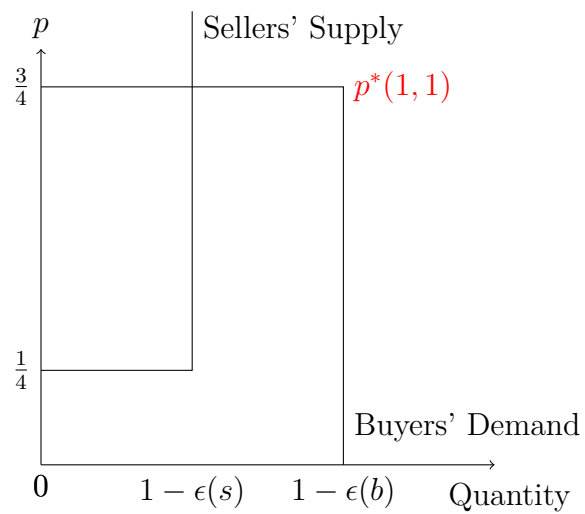
Market for (1, 1)



Market for $(1, 1)$



Market for (1, 1)



Market for (1, 1)

