

	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> <div>0</div> <div>0</div> </div>	<div> <div>-1</div> <div>0</div> </div>
	Invest	<div> <div>0</div> <div>-1</div> </div>	<div> <div>2 - 1</div> <div>2 - 1</div> </div>

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

		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)	$1 - p(1,1) - \frac{1}{4}$	$p(1,1) - \frac{1}{4}$

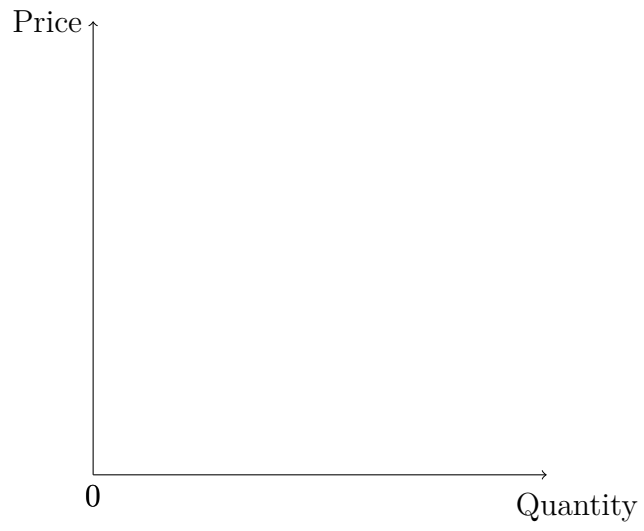


		Buyer Payoffs	Seller Payoffs
Matching Contract	(0,0)	0	0
	(0,1)	0	$0 - \frac{1}{4}$
	(1,0)	$0 - \frac{1}{4}$	0
	(1,1)	$v^i \geq 0$	$v^j \geq 0$

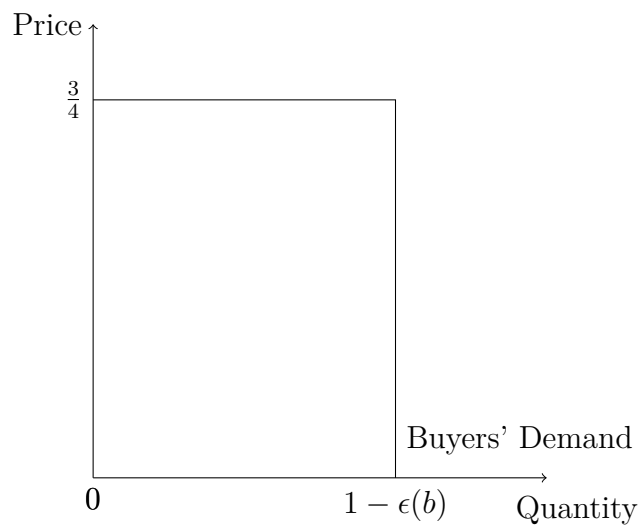
		Buyer Payoffs	Seller Payoffs
Matching Contract	(0,0)	0	0
	(0,1)	0	$0 - \frac{1}{4}$
	(1,0)	$0 - \frac{1}{4}$	0
	(1,1)	$1 - \frac{1}{2} - \frac{1}{4}$	$\frac{1}{2} - \frac{1}{4}$

		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)	$1 - 1 - \frac{1}{4}$	$0 - \frac{1}{4}$

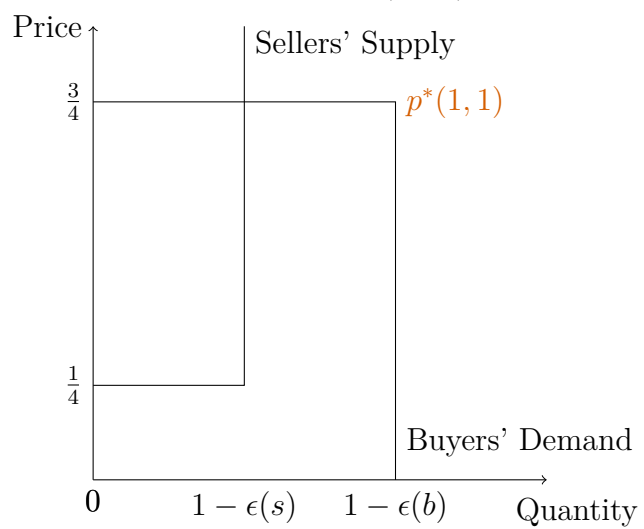
Market for  $(1, 1)$



# Market for $(1, 1)$



# Market for $(1, 1)$



### Market for $(1, 1)$

