

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

## Stage 1: Investment

## Stage 2: Competitive Market



## Stage 1: Investment

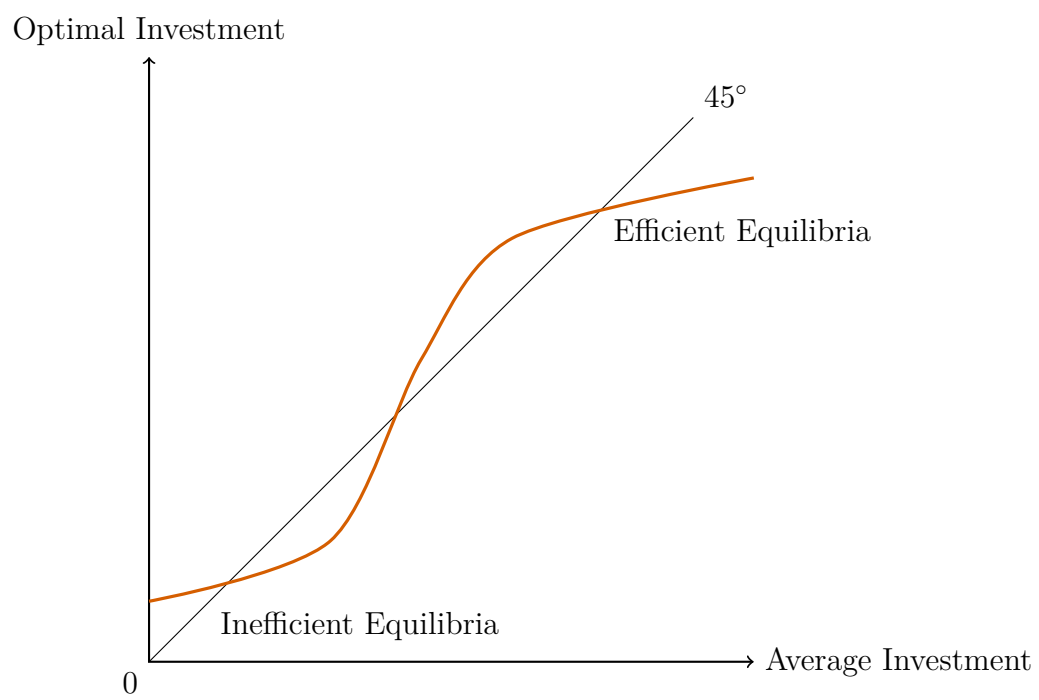
Each type  
 $t$  picks an  
 $a$  and pays  
cost  $c(a, t)$

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

## Stage 2: Market

Assignment  
game  
with a  
Walrasian  
equilibrium





		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)	$-\tilde{p}^{\beta}(0,0)$	$\tilde{p}^{\sigma}(0,0)$
	(0,1)	$-\tilde{p}^{\beta}(0,1)$	$\tilde{p}^{\sigma}(0,1) - \frac{1}{4}$
	(1,0)	$-\tilde{p}^{\beta}(1,0) - \frac{1}{4}$	$\tilde{p}^{\sigma}(1,0)$
	(1,1)	$1 - \tilde{p}^{\beta}(1,1) - \frac{1}{4}$	$\tilde{p}^{\sigma}(1,1) - \frac{1}{4}$

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

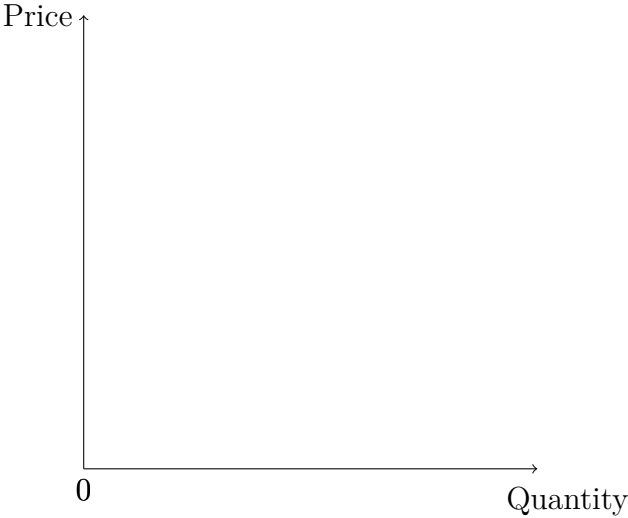


		Buyer Payoffs	Seller Payoffs
Matching Contract	(0,0)	$p(0,0) = -0$	$p(0,0) = 0$
	(0,1)	$p(0,1) = -0$	$p(0,1) - \frac{1}{4} = 0 - \frac{1}{4}$
	(1,0)	$p(1,0) - \frac{1}{4} = -0 - \frac{1}{4}$	$p(1,0) = 0$
	(1,1)	$1 - p(1,1) - \frac{1}{4} \geq 0$	$p(1,1) - \frac{1}{4} \geq 0$

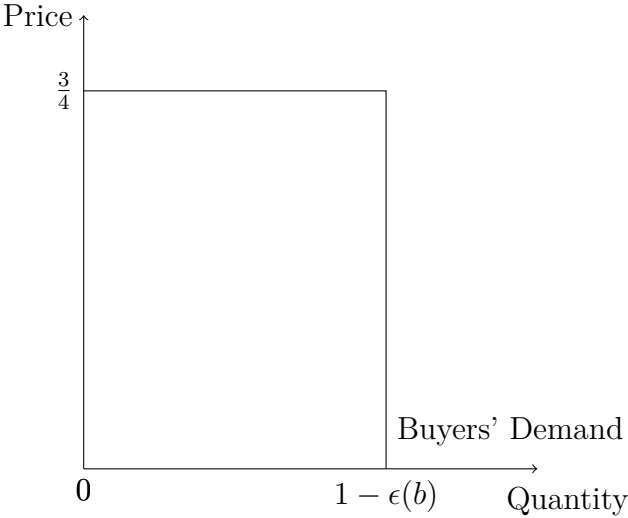
		Buyer Payoffs	Seller Payoffs
Matching Contract	(0,0)	$-\tilde{p}^{\beta}(0,0) = -0$	$\tilde{p}^{\sigma}(0,0) = 0$
	(0,1)	$-\tilde{p}^{\beta}(0,1) = -0$	$\tilde{p}^{\sigma}(0,1) - \frac{1}{4} = 0 - \frac{1}{4}$
	(1,0)	$-\tilde{p}^{\beta}(1,0) - \frac{1}{4} = -0 - \frac{1}{4}$	$\tilde{p}^{\sigma}(1,0) = 0$
	(1,1)	$1 - p(1,1) - \frac{1}{4} = 1 - \frac{1}{2} - \frac{1}{4}$	$p(1,1) - \frac{1}{4} = \frac{1}{2} - \frac{1}{4}$

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

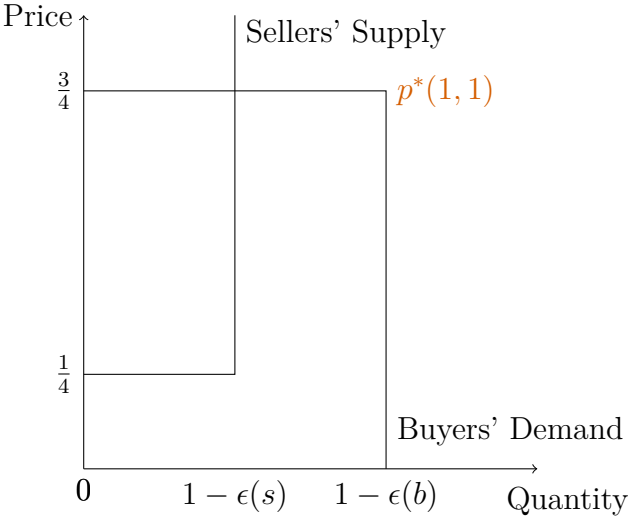
Market for (1, 1), Given Conjectures



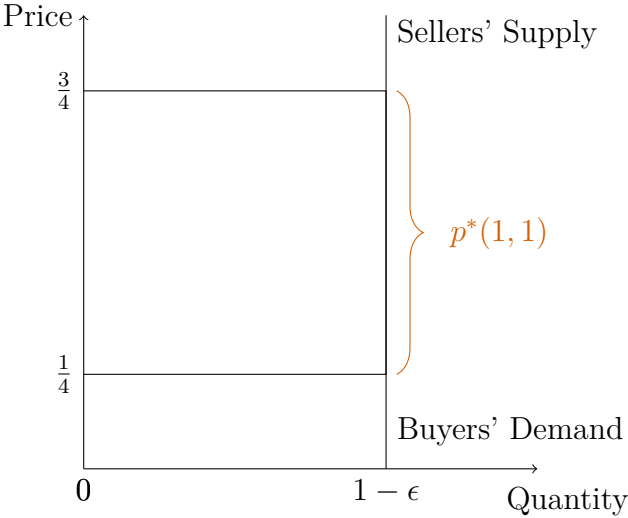
Market for (1, 1), Given Conjectures



Market for  $(1, 1)$ , Given Conjectures



Market for (1, 1), Given Conjectures



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



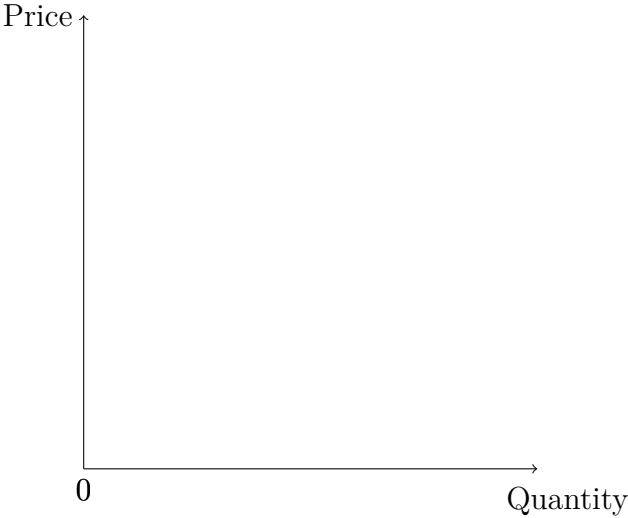
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	(1,0)	$p(1,0) - \frac{1}{4} = -0 - \frac{1}{4}$	$p(1,0) = 0$
	(1,1)	$1 - p(1,1) - \frac{1}{4} \geq 0$	$p(1,1) - \frac{1}{4} \geq 0$

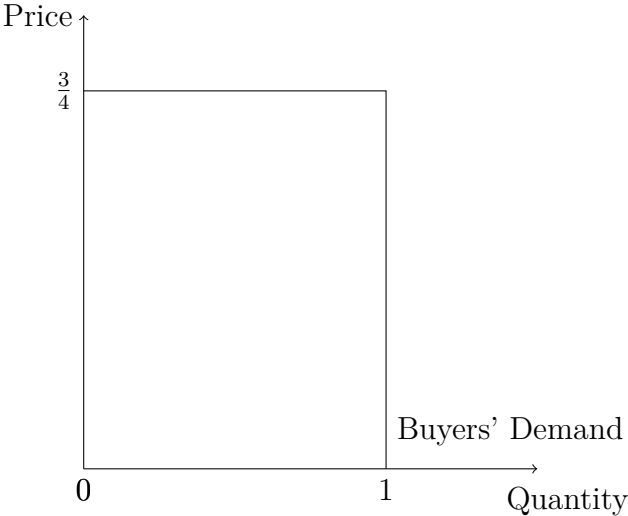
		Buyer Payoffs	Seller Payoffs
Matching Contract	(0,0)	$-\tilde{p}^{\beta}(0,0) = -0$	$\tilde{p}^{\sigma}(0,0) = 0$
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	(1,0)	$-\tilde{p}^{\beta}(1,0) - \frac{1}{4} = -0 - \frac{1}{4}$	$\tilde{p}^{\sigma}(1,0) = 0$
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		Buyer Payoffs	Seller Payoffs
Matching Contract	(0,0)	$-p(0,0) = -0$	$p(0,0) = 0$
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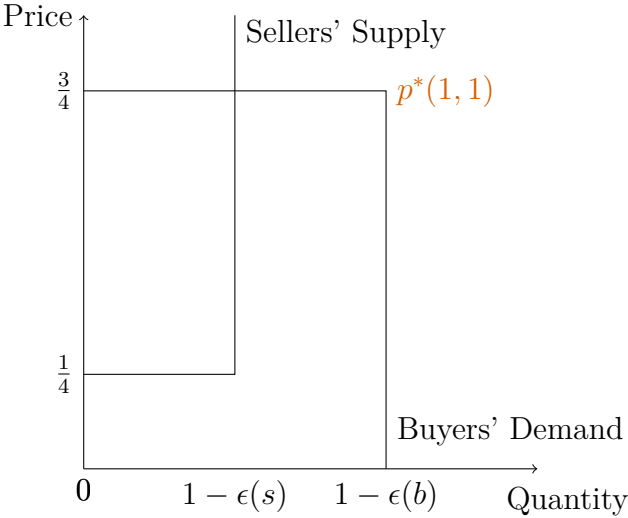
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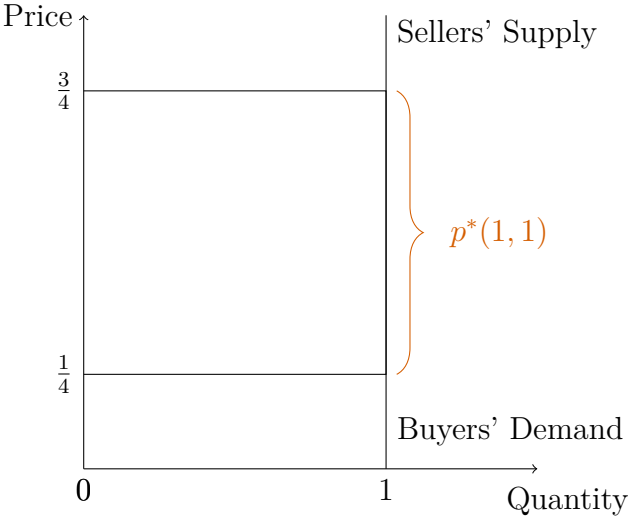
Market for (1, 1), Given Conjectures



Market for  $(1, 1)$ , Given Conjectures



Market for (1, 1), Given Conjectures





My Optimal Investment

