

The guiding philosophy in game theory:: [sam-nrdhs]

Pick ur strategy by asking what makes most sense for u assuming that ur opponents r analyzing ur strategy and doing what is best for them.

Point is: when it is a HR game, u may not need to consider opponents' strategy. U better do, but u may use Occum's razor.

Best is to expand the guiding philosophy to suite each different case.

In Neumann's examples, it is taken that the duopolistic firms r identical and the pay-offs r mirror image → controversy: in real life, even in a duopoly, firms 'simply' can't be identical and theoretically. In that case u can't even model a situation. So, if u idealize something like that, it's possibly a mistake. Again, u can think opponents u can think competitors, unlike stated in the guiding philosophy. The philosophy is ok, but may not be ok by all means. If u r a proponent of such a philosophy and u think all biz r ur opponents, there r some problems:

1. If u r a new biz in an oligopoly, and existing firms and even budding firms can think it out – u r in real trouble. Competition is competition, in a card game u even compete ur partner.
2. If u think all opponents, u can never make a syndication successful. U'll need syndication for so many reasons, even when the matter is quality R&D or 'real' profit calculation. Ur opponent will never allow u data for calculation but ur competitor may.
3. Even in a 'perfect' duopoly, it's better not to stick to the opponent philosophy for almost the same reasons.

Dominant Strategy:: dominant strategy is the single best strategy no matter what the other player follows [sam-nrdhs]. If u think some strategy like this u have no strategy at all. Ur opponent/competitor will analyze ur move and the second strategy from ur op/com will close ur biz down. So, a dominant strategy can be a strategy that is considered 'first' when situation is such that u need to think strategy.

So, in a price war game, ur dominant strategy can be :: observe op/com move [&/or market movement] and decide the next strategy. It also can be like this:: increase/decrease price, depending, and then decide the next. In this case u r the one waging a pwG.

	NP	PW
NormalPrice		
PriceWar		

A price war game

According to sam-nrdhs, NP-NP is a dominant equilibrium, but HP-HP can also be another. Because, when u r in a price war, and u think ur op/com can't exist HP-HP will get set as an equilibrium, even in a duopoly. When the 'war' is over, a new market, new player state(s) hence a new equilibrium. Also, in a competitor war game, u can't possibly go back to NP-NP. A war will cost u something and ur NP will certainly change. Controversially, say in duopoly and u did wage a price war, ur opponent decides not to move. then NP-PW / PW-NP equilibriums can dominate too – provided u never managed to continue the quality game. What can u do by waging such a war?? U may well get instigated by ur op/com or by any other third party such as ur client(s).

Nash equilibrium:: is a soln in which no player can improve position given the other player's strategy [sam-nrdhs]. Sometimes called the noncooperative equilibrium.

U can't possibly use the word 'can' here. U may need to use 'may' to find such an equilibrium. A noncooperative equilibrium is a practical biz strategy. All biz r supposed to choose strategy best for itself. Collusion-cooperation w/ regard for the society must be included in every strategy, be it a rivalryGame or a priceWarGame, a pollutionGame or whatever excluding games like prisoner's dilemma. Collusion or cooperation for the regard of 'some party' or 'any other party' may give rise to pD.

Rivalry can arise out of many things other than only profits. Profits r major concerns for bizs. But sometimes u will wage quality rivalry w/o regard to ur profit calculations, depending. And after ur objective in quality over, u certainly will think abt a price war game.

I am not sure what is meant by monopoly profit here [sam-nrdhs]. U can decide for a monopoly price, true, to get ur competitor/opponent out of the market. But how do u actually calculate a monopoly profit before u turn to a monopoly?? U have waged a rivalry game in order to secure a monopoly market, u can. U will need to wage at least a price war game and a winner takes all game – according to existing theory. U may also need to wage a HR game in order to succeed. So, if u need to calculate a monopoly profit, u calc after ur wars r over and u r an established monopoly. How, in that case, u may have a game other than a 'one player pD'?

A 'perfectly' competitive equilibrium is a Nash equilibrium in which each firm and consumer makes decisions by taking thye prices of everyone else as given.

1. By def, a nash eqlbm, i.e. a noncooperative eqlbm is impracticable – as explained above.
2. In economic analyses, u use the phrase' ...considering every other the same' – ok for u as an economist, not for me as a consumer. I simply can't theorize like that – u r supposed to collect data to verify ur arguments, not the consumer.
3. So, u will need to find ur own 'perfectly' competitive eqlbm.

An arms race [sam-nrdhs] is nothing but a rivalryGame and a priceWarGame in together. Examples given in the book for winnerTakesAll society r all wrong. Best sellers, patents, Olympic gold medals, super models, victorious law suites, nobel prize winners and presidents of US – none is even a 'situation' of a winnerTakesAll strategy. Only gambling can be an example of wtA. U can adopt wtA in many situations, even in a world championship card game. But that's and adoption only.

The book [sam-nrdhs] u read, especially the game theory part, is arranged such intentionally – trying to create an impression, "what is it, US?? WOW." Faltu – asole. We did and had to manage so many such ourselves and we still do, not US only but u can think any power existing in the world. They'll always try to make an impression of 'WOW'. One easy trick to beat the hell out of them now that u know game theory better.

So, one ph.d. research for u can be, why and how ur books are arranged such that u will always think 'WOW'?? there r so many arrangements, in almost every book – dictionary by john black is one. Ur chi-chi-chiters r another reason. From my experience, this 'species' has turned malicious. They have 'no' practical experience at all, they don't even care for some at all. How do u think researches get stolen?? Chi-chi-chiters steal. They have that privilege and they use it like anything. So always keep something like that when u submit a research, be it a chi-chi-chiter or any one else, that if gets stolen, will do nothing good for the thief but bad – a thief can't explain what got stolen.