A/ ASSIGNMENT RECAP

- Market Analysis: Conduct a detailed study of the assigned oligopolistic market using game theory to identify major players and their strategies, analyze firm behavior, and evaluate the market's impact on consumer and social welfare.
- Market Numerical Exercise: Simulate the market dynamics by creating a simplified model, role-playing as a firm to apply strategic decisions, and test the formulated hypotheses against real-world scenarios.
- Policy Implications: Develop well-reasoned, data-supported policy interventions aimed at improving social welfare based on the analytical findings from the market study.

Suggested Structure:

Introduction (150 words)
Market Analysis (800 words):

- Identification of Major Players (130 words)
- Firm Behavior Analysis (205 words)
- Market Structure Identification (130 words)
- Market Power and Welfare (205 words)
- Hypothesis Formulation (130 words)

Market Numerical Exercise (600 words)

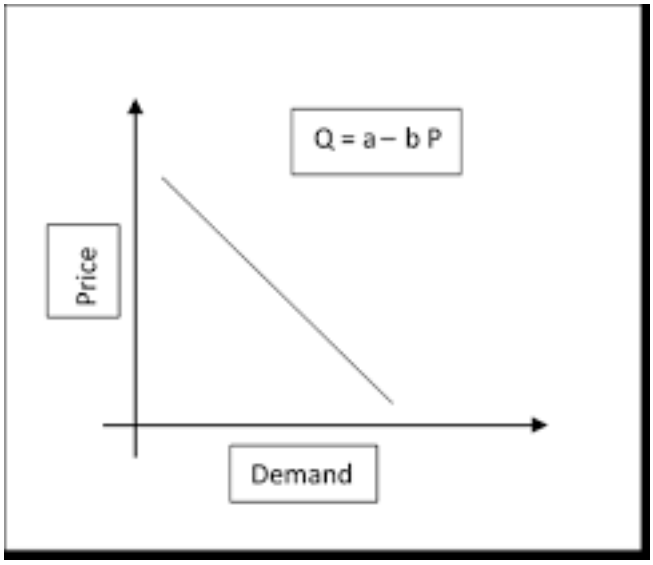
- Simulation Parameters (150 words)
- Role Assignment and Strategic Decisions (200 words)
- Testing Hypotheses (150 words)
- Reflection on Outcomes (100 words)

Policy Implications (400 words)
Conclusion (50 words)

B/ KEYWORD EXPLANATIONS

1. **Oligopolistic Markets**

An oligopolistic market is a market structure characterized by a small number of firms that have significant market power. In such markets, each firm's decisions regarding prices, output, and strategies significantly impact the market. In oligopolies, firms are interdependent, meaning the actions of one firm influence the others. This can lead to strategic behaviors like price-fixing, collusion, and non-price competition.



2. Game Theory

Game theory is a framework for understanding strategic interactions among rational decision-makers. It is used to analyze situations where the outcome for each participant depends on the actions of all.

3. Nash Equilibrium:

Nash Equilibrium is a concept within game theory where no player can benefit by changing their strategy while the other players keep theirs unchanged.It represents a situation of mutual best responses in a game. In oligopolistic markets, it helps in understanding the stable state where each firm chooses the best strategy, given the strategies chosen by other firms.

4. Cournot Competition

Cournot competition is a model of an oligopoly where firms compete on the quantity of output they decide to produce. In the Cournot model, each firm assumes that its competitors will hold their output constant and then adjusts its own output to maximize profit.

Profit maximization typically involves setting marginal revenue equal to marginal cost.

5. Consumer Welfare

Consumer welfare refers to the overall well-being and satisfaction of consumers in terms of utility derived from goods and services. It is often associated with concepts like consumer surplus, which is the difference between what consumers are willing to pay and what they actually pay.

6. Market Power

Market power is the ability of a firm (or group of firms) to raise and maintain prices above the level that would prevail under competition.

7. Bertrand competition

Bertrand competition is an economic model where firms compete on price rather than quantity. Each firm assumes that its competitors will hold their prices constant, and then sets its price to maximize profit. This often leads to a price equal to marginal cost, the minimal sustainable price.

C/ FOOD FOR HUNGRY THOUGHTS

Based on your assigned firms, there are various journal articles and reports to be explored. Below are some reliable sources for you to find relevant articles and reports.

Industry Data Sources:

- Euromonitor Passport database: https://go.euromonitor.com/passport.html
- General Statistics Office of Vietnam: https://www.gso.gov.vn/default_en.aspx?tabid=766
- Financial statements on StoxPlus: https://www.stoxplus.com
- World Bank Open Data: https://data.worldbank.org/

Game Theory Sources:

- Game Theory (Fudenberg & Tirole) textbook: https://mitpress.mit.edu/9780262061414/game-theory/
- Intro to Game Theory (Osborne) textbook: https://global.oup.com/academic/product/an-introduction-to-game-theory-9780195128956
- John Nash's Nobel lecture: https://www.nobelprize.org/prizes/economic-sciences/1994/nash/lecture/
- Advances in Understanding Strategic Behaviour: https://www.aeaweb.org/articles?id=10.1257/jep.9.4.198

Russia-Ukraine Conflict Analysis:

- "What Game Theory Tells Us About the Possibility of Armageddon" (New York Times): https://www.nytimes.com/2022/05/26/opinion/game-theory-russia-ukraine-nuclear-war.html
- "The Economic Dimensions of the Russia-Ukraine War" (The Economist): https://www.economist.com/finance-and-economics/2022/03/05/the-economic-dimensions-of-the-russia-ukraine-war
- "Putin's rationality meets game theory" (Financial Times): https://www.ft.com/content/7f725eb4-fc84-4ddd-ab7f-ed00a6b6528a
- "Russia–Ukraine Crisis and Game Theory" (Cambridge Review of International Affairs): https://www.tandfonline.com/doi/full/10.1080/09557571.2022.2077355

- "The Ukraine Crisis Through the Lens of Game Theory" (International Studies Review): https://academic.oup.com/isr/article-abstract/24/3/474/6685109

"Russia–Ukraine Crisis 2014–2022: Applying Game Theory" (Social Sciences): https://www.mdpi.com/2076-0760/11/8/321