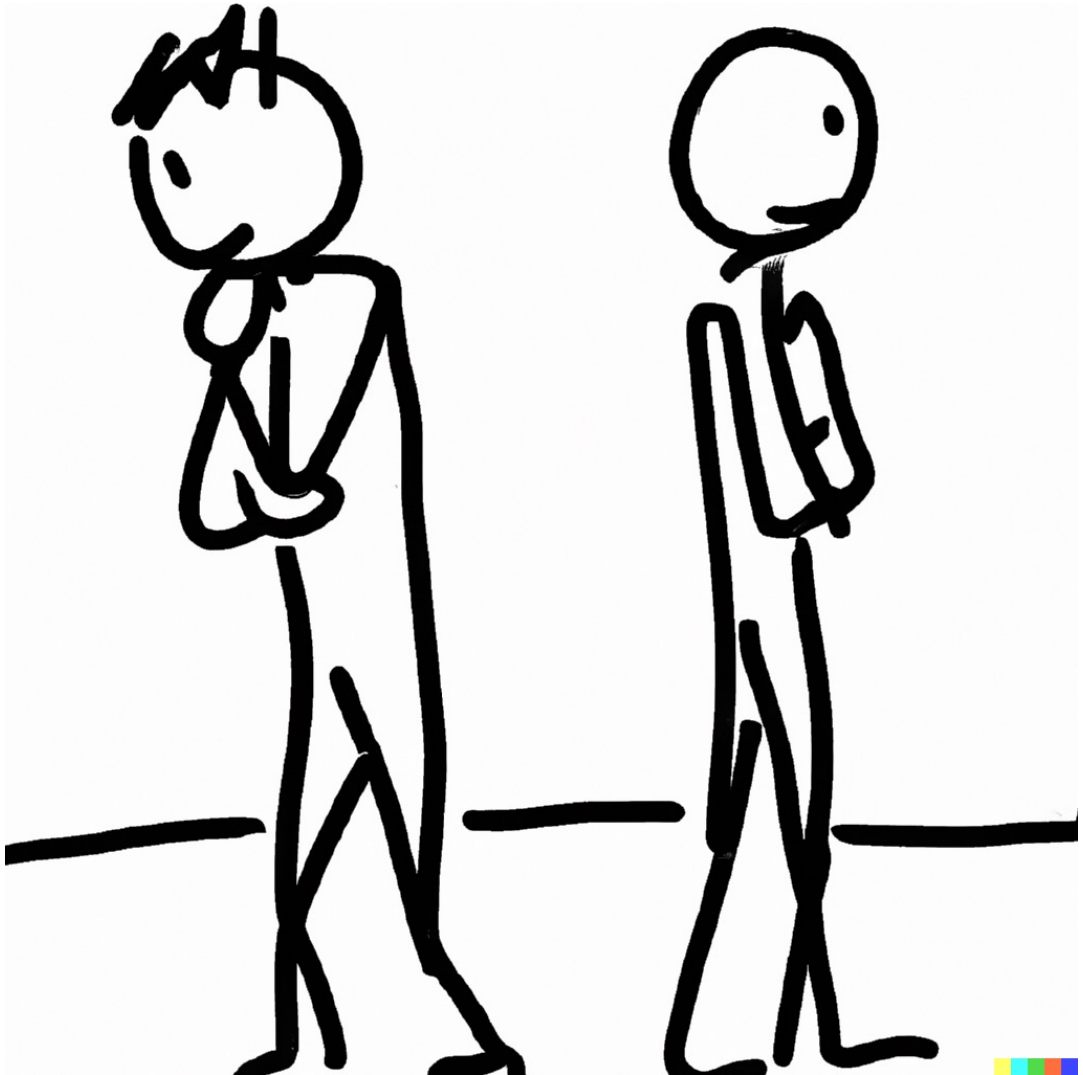
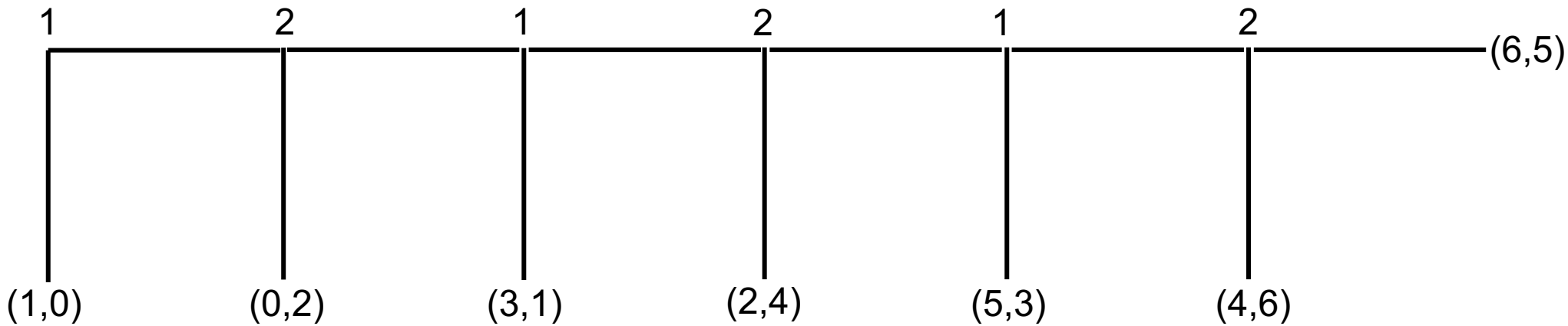
Sequential games

Notes on Behavioural Economics

Jason Collins



Extensive form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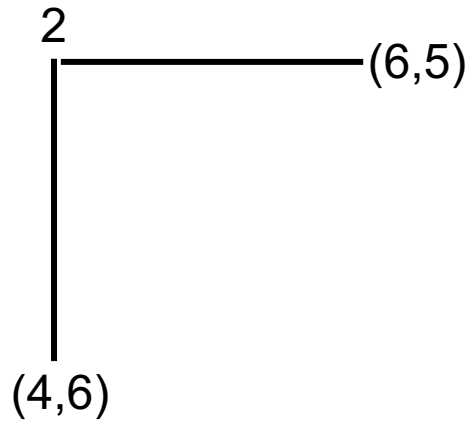
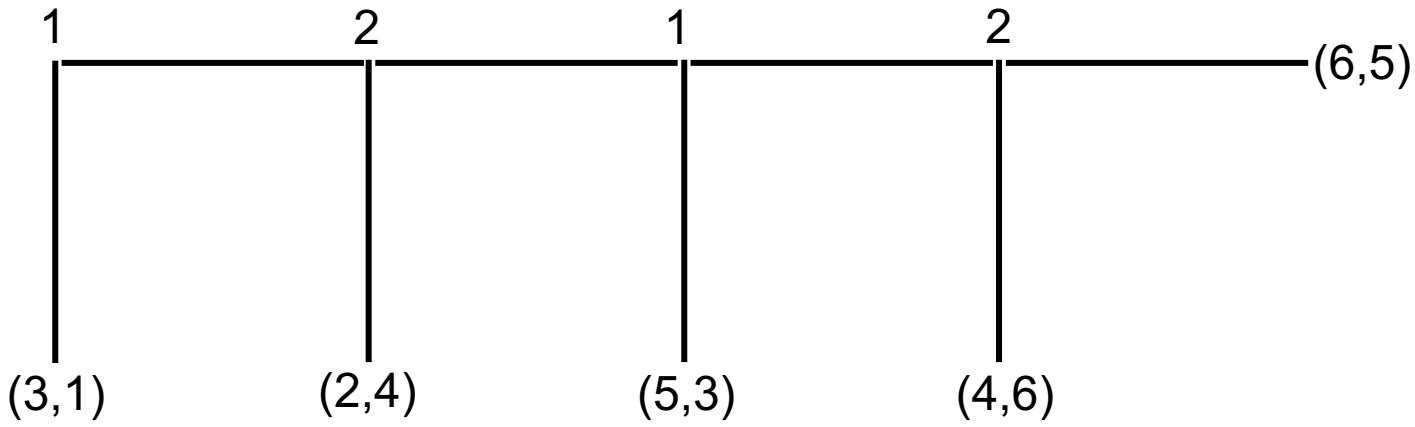
Subgame

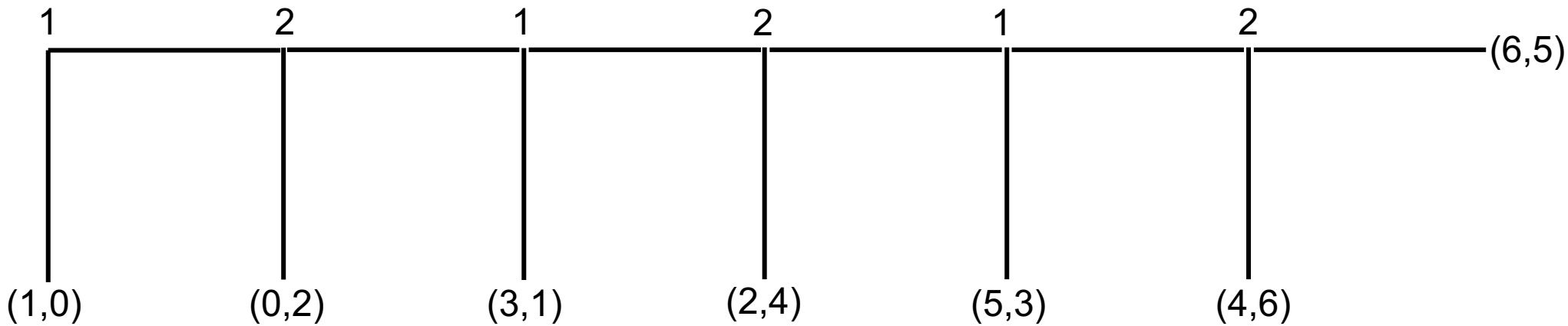


Subgame



Subgame perfect Nash equilibrium

A Nash Equilibrium is subgame perfect if every player plays the Nash Equilibrium in every subgame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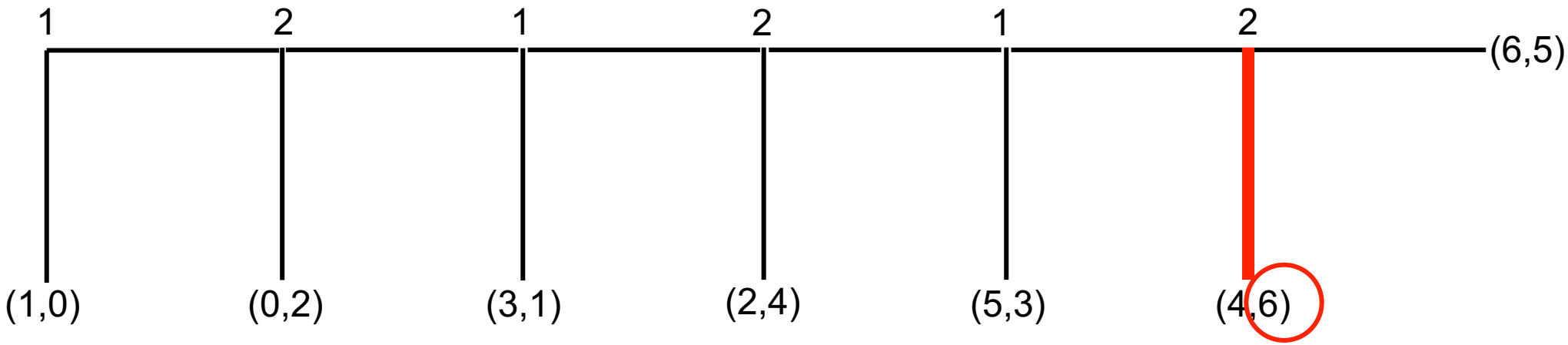
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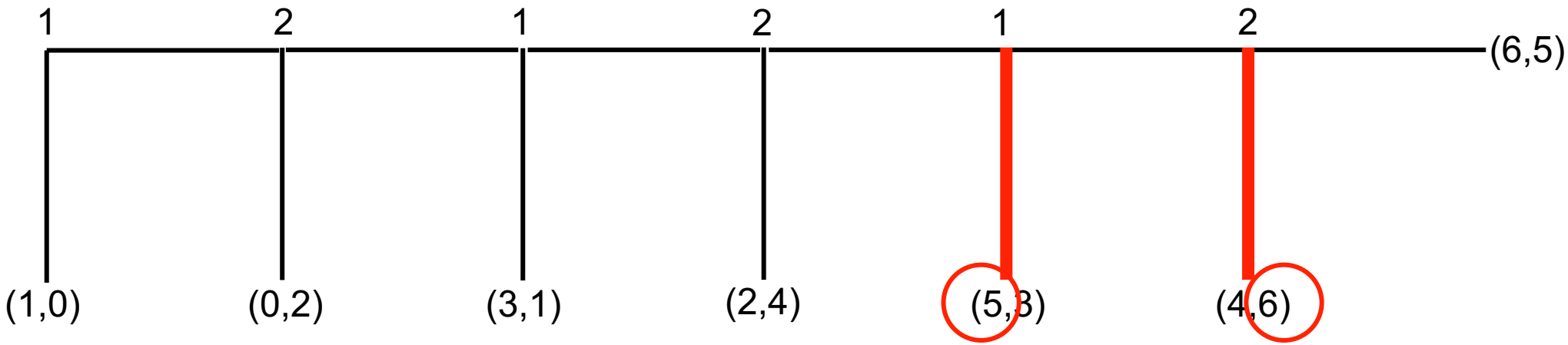
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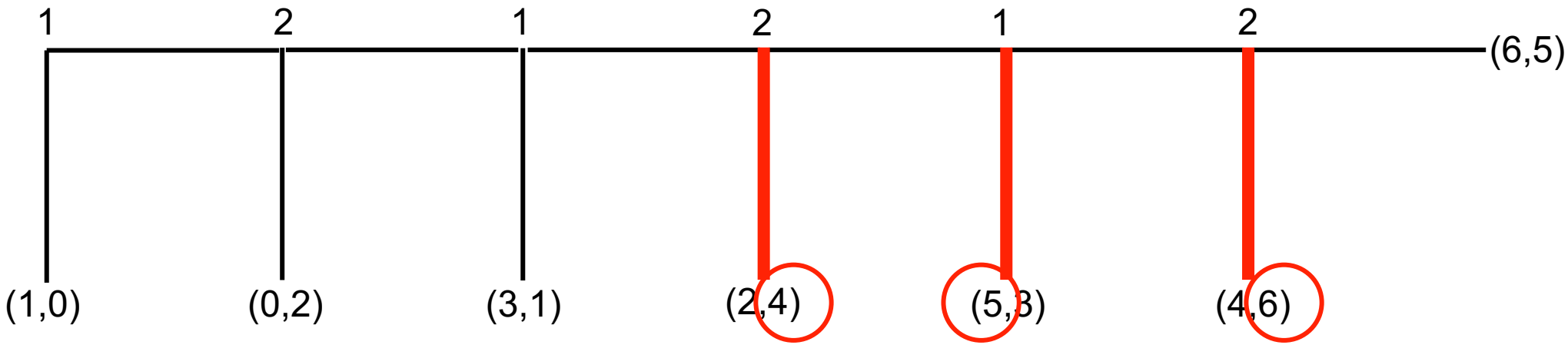
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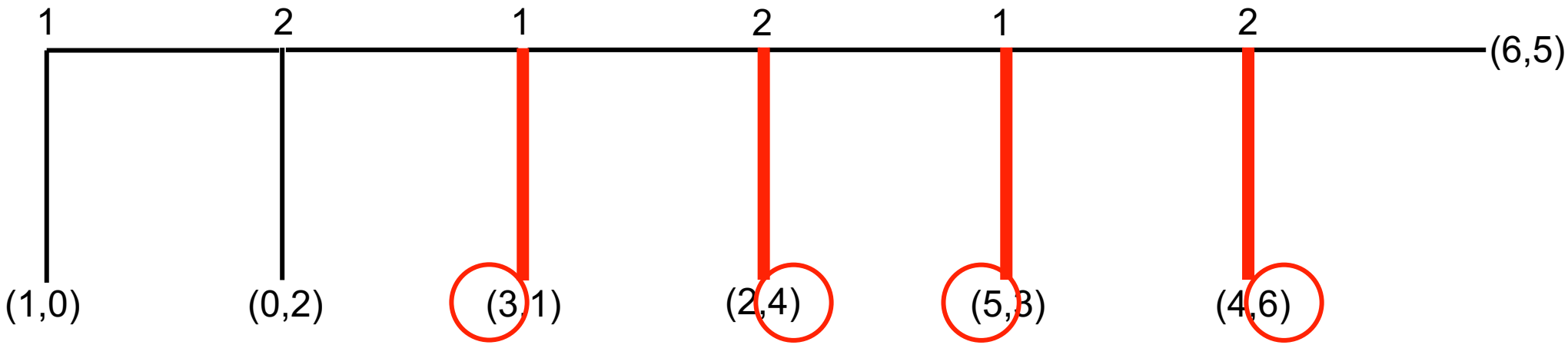
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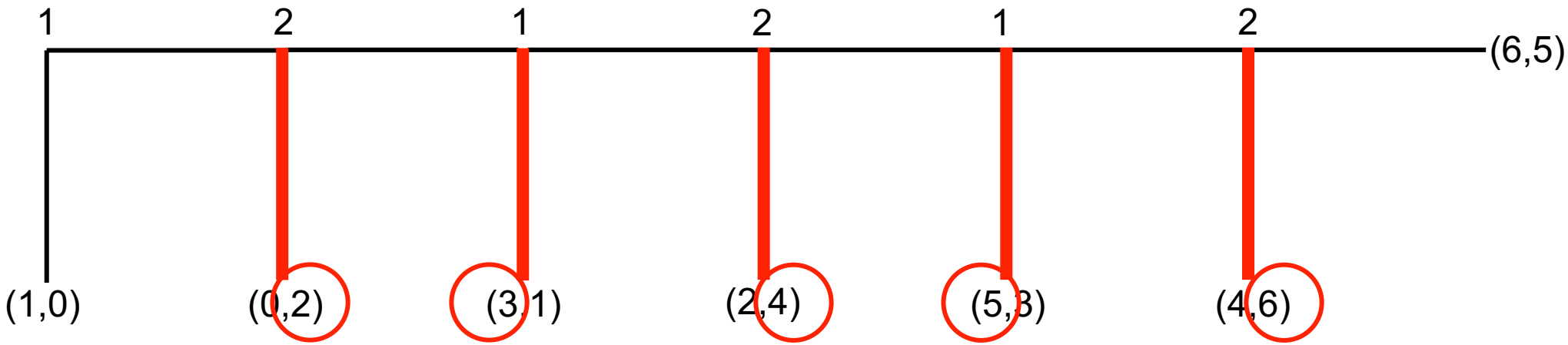
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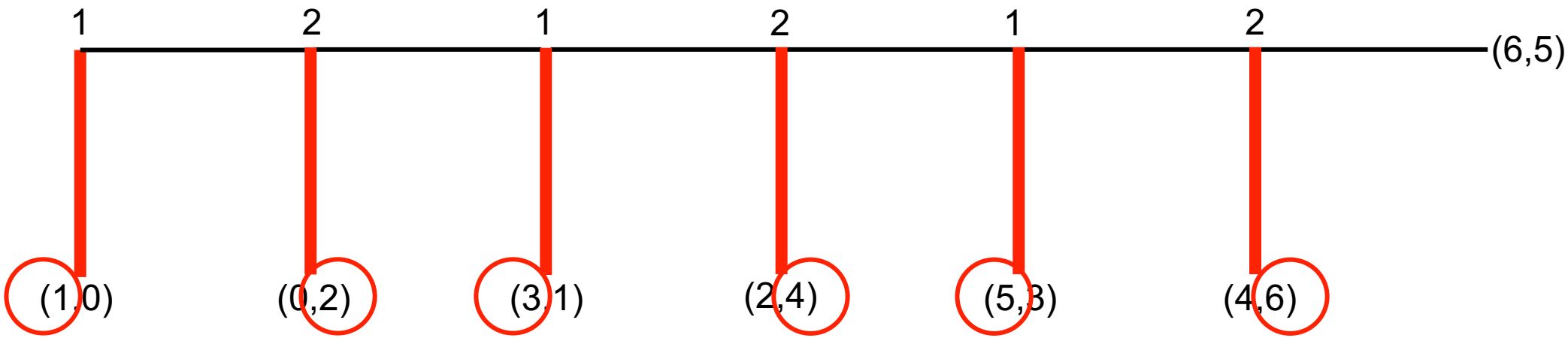
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(4,6)

Subgame perfect Nash equilibrium

$S_1 = (\text{take}, \text{take}, \text{take})$

$S_2 = (\text{take}, \text{take}, \text{take})$