

Strategic Games.

A strategic game is a model of interacting d-m
d-m \Rightarrow players.

Strategic game (with ordinal preferences) consists of

- a set of players
- for each player, a set of actions
- for each player, preferences over the set of action profiles.

Ex. ① players \Rightarrow firms
actions \Rightarrow prices
preferences \Rightarrow firm's profits.

② players \Rightarrow candidates for political office
actions \Rightarrow campaign expenditures
preferences \Rightarrow candidates' probability of winning.

Time is absent from the model. The idea is that each player chooses his action once and for all, and the players choose their actions "simultaneously" in the sense that no player is informed, when he chooses his action, of the action chosen by any other player.