

1-5-Taste-2









Game rota Theory and an interest of the control of the c

Game Theory Course: Jackson, Leyton-Brown & Shoham

Keynes' Beauty Contest Game

Game Theory reduction and rategies of the Online

Keynes' Beauty Contest Game

• You hold a stock and the price is rising...



Keynes' Beauty Contest Game

- You hold a stock and the price is rising...
- You believe that the price is too high to be justified by the value of the company.



Game

Keynes' Beauty Contest Game

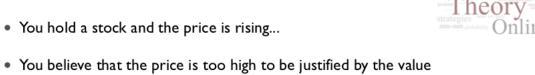


- You hold a stock and the price is rising... • You believe that the price is too high to be justified by the value
- of the company. • You would like to sell it, but would like to wait until the price is
- almost at its peak.

Keynes' Beauty Contest Game

almost at its peak.

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- You would like to get out of the market just before other investors

Keynes' Beauty Contest Game

of the company.

• You hold a stock and the price is rising... You believe that the price is too high to be justified by the value



- You would like to sell it, but would like to wait until the price is almost at its peak.
- How will they act? What should you do in response?

Keynes Beauty Contest Game: The Stylized Version

You would like to get out of the market just before other investors

Keynes Beauty Contest Game: The Stylized Version

X where you thank.

I when other people think

Each player names an integer between I and IOO.

Each player names an integer between 1 and 100.

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Game

 The player who names the integer closest to two thirds of the average integer wins a prize, the other players get nothing. quess ong. 1/3

Keynes Beauty Contest Game: The Stylized Version

rategies zero-sum probability Online

Game

Keynes Beauty Contest Game: The Stylized Version

- Each player names an integer between 1 and 100.
- average integer wins a prize, the other players get nothing.

• The player who names the integer closest to two thirds of the

• Ties are broken uniformly at random.