Games and Boolean models - mid-term exam

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Instructions:

- Edit your work using the provided tex file. Hand in your work as a LaTex-generated pdf file attached to an e-mail addressed to roxyjean at gmail.com, by the end (i.e. 24:00) of sunday 12 November 2017. Your name should appear both as the author above, and in the chosen tex/pdf files names.
- All solution methods and corresponding computations have to be carefully commented, either in English or in Italian. Any part of the work consisting of non-commented computations and/or expressions shall be disregarded.

Notes for the Teacher:

Answers to execerices are given by proposition environments. When an answer (proposition) has a motivation it is given by a proof environment.

from Ryser [7]: Our definitions and proofs are concise and they deserve careful scrutiny. But effort and ingenuity lead to mastery, and our subject holds rich for those who learn its secrets.

1 Exercise

For an even integer m, let $M = \{1, ..., m\}$ and define $f: M \to M$ by

$$f(k) = \begin{cases} \frac{m}{2} + k & \text{if } 1 \le k \le \frac{m}{2}, \\ k - \frac{m}{2} & \text{if } \frac{m}{2} < k \le m. \end{cases}$$

1. Characterize binary relation R^f on M defined by

$$R^f = \{(k, f(k)) : 1 \le k \le m\} \subset M \times M$$

in terms of (ir)reflexivity, (a/anti)symmetry, transitivity and completeness. Determine the number of 1s in Boolean matrix $\mathcal{M}^{R^f} \in \{0,1\}^{m \times m}$ representing R^f , i.e. $\mathcal{M}^{R^f}_{kl} = \left\{ \begin{array}{c} 1 \text{ if } (k,l) \in R^f, \\ 0 \text{ if } (k,l) \in M \times M \backslash R^f, \end{array} \right. 1 \leq k,l \leq m.$

2. Identify a $(\supseteq$ -)minimal rational preference (binary relation) R^{\succsim^*} satisfying $R^{\succsim^*}\supseteq R$. How many 1s are in Boolean matrix $\mathcal{M}^{R^{\succsim^*}}$? Also determine the corresponding ordered partition $\mathfrak{P}^{\succsim^*}=(A_1,\ldots,A_{|\mathfrak{D}^{\succsim^*}|})$ of M.

1.1 Solution

1.1.1 Prerequisites

- Set: an abstract aggregate of elements.
- Mapping: a way to create new sets.
- mapping: a properties holding on element(s) of set.
- Binary relation: see [1], [2] and [5].

1.1.2 Notation

- M = a finite set of m elements.
- m = number of elements of set M.

1.1.3 Analysis of a function f

Given the binary relation R^f as above defined, we'll investigate its properties (symmetry, transitivity, etc.).

Anzitutto che cos'è la f? La f assegna ad ogni elemento di M un elemento di stesso, pertanto si potrebbe trattare di una permutazione ovvero

an elements of the symmetric group of degree n, denoted by S_n [2].

Nel nostro caso n = |M| = m. Quanto detto non è proprio rigoroso in quanto si dovrebbe dimostrare che f è una permutazione ovvero dovrei fare vedere che la f è sia iniettiva che suriettiva. Di questo fatto me ne sono accorto svolgendo i calcoli sulla f ovvero andando a calcolare f(0), ..., f(m) per |M| uguale a 4, 6, 8.

La f può essere pensata come suddivisa in due funzioni f_{part1} e f_{part2} e pertanto la prima cosa da fare è discernere quale delle due funzioni applicare a k quando quest'ultimo è passato alla funzione f in altre parole la scrittura f(k) si potrebbe leggere come: quale funzione devo applicare a k? Ebbene la funzione da applicare dipende da k, se $k \leq \frac{m}{2}$ applichiamo la f_{part1} , altrimenti applichiamo la f_{part2} . Chiaramente f_{part1} ed f_{part2} sono definite come:

$$f(k) = f_{part1}(k) = \frac{m}{2} + k$$

if $k \leq \frac{m}{2}$ first half elements of M, and,

$$f(k) = f_{part2}(k) = k - \frac{m}{2}$$

if $k > \frac{m}{2}$ second half elements of M

Cioè la prima metà di elementi di M viene calcolata con f_{part1} mentre la seconda metà di elementi di M viene calcolata con f_{part2} .

Proviamo a schematizzare:

Per m=4, ossia $M=\{1,2,3,4\}$ abbiamo che $\frac{m}{2}=2$,

$$f(1) = 2 + 1 = 3$$

$$f(2) = 2 + 2 = 4$$

$$f(3) = 3 - 2 = 1$$

$$f(4) = 4 - 2 = 2$$

che posso rappresentare in forma di matrice:

$$\begin{pmatrix} 1 & 2 & 3 & 4 \\ 3 & 4 & 1 & 2 \end{pmatrix}$$

La matrice precedente la leggiamo in questo modo: nella prima riga ci sono i valori di k, mentre nella seconda riga sono riportati i valori di f(k). Come si può notare da questo primo svolgimento, ma dopo cercheremo di dimostrarlo algebricamente, la relazione R^f è certamente simmetrica.

Per m=6, (saltiamo da 4 a 6 perchè l'esercizio richiede che m sia pari), ossia $M=\{1,2,3,4,5,6\}$ abbiamo che $\frac{m}{2}=3$,

$$f(1) = 3 + 1 = 4$$

$$f(2) = 3 + 2 = 5$$

$$f(3) = 3 + 3 = 6$$

$$f(4) = 4 - 3 = 1$$

$$f(5) = 5 - 3 = 2$$

$$f(6) = 6 - 3 = 3$$

Che possiamo rappresentare sotto forma di matrice come

$$\begin{pmatrix} 1 & 2 & 3 & 4 & 5 & 6 \\ 4 & 5 & 6 & 1 & 2 & 3 \end{pmatrix}$$

La funzione f potrebbe essere vista anche come $k \equiv f(k) \pmod{\frac{m}{2}}$ e con quest'ultima espressione ...

1.1.4 Analysis of R^f properties

Proposition 1. The binary relation R^f is symmetric, intransitive and incomplete.

Proof. Symmetry. Symmetry seems to be trivial but we need to show that $(k, f(k)) \in \mathbb{R}^f \implies (f(k), k) \in \mathbb{R}^f$.

Thinking R^f as $R^f = \{(a,b) \land (b,a) : b = a + \frac{m}{2}, \forall a,b \in M,\} \subseteq M \times M$ The reason could be because congruences are symmetric but we need to show to many things in order to prove the proposition.

Transitivity. NO, infatti posso trovare due ennuple $(k, f(k)), (f(k), f(f(k))) \in \mathbb{R}^f$ tali che $(k, f(f(k))) \notin \mathbb{R}^f$. E.g. se prendo $(1, 3), (3, 1) \in \mathbb{R}^{f^4}$, dove f^4 rappresenta la funzione f quando m = 4, la ennupla $(1, 1) \notin \mathbb{R}^{f^4}$.

Completeness. NO, infatti
$$(1,2) \land (2,1) \notin R^{f^4}$$
.

1.1.5 Number of 1s in Boolean matrix representing R^f

Proposition 2. There are m 1s in the boolean matrix representing R^f .

2 Exercise

For player set $N = \{1, ..., n\}$ and strategy set $\mathbb{S}_i = \{0, 1\}$ for all $i \in N$, let

$$u_i(s) = u_i(s_i, s_{-i}) = \left(s_i - \sum_{j \in N} \frac{s_j}{n}\right)^2$$
 for all strategy profiles $s \in \{0, 1\}^n$.

- 1. Is this a interest game? If yes, then determine the (non-empty) set of strategy profiles where each player attains the maximum payoff. If no, then show that different players have different optimal strategy profiles. Is this a constant-sum game? If yes, then show that any two strategy profiles s, s' ∈ {0,1}ⁿ provide the same aggregate payoff, that is to say ∑_{i∈N} u_i(s) = ∑_{i∈N} u_i(s). If no, then show that there are different strategy profiles providing different aggregate payoffs. Are there Pareto-dominated strategy profiles? If yes, then determine all pairs of strategy profiles one of which Pareto-dominates the other. If no, then show that for any pair of strategy profiles neither one Pareto-dominates the other.
- 2. Regarding this as a congestion game with a 2-set $\{0,1\}$ of facilities, denote by $u_0(k)$ the utility attained by playing 0 when the number of those playing 0 is k and by $u_1(k)$ the utility attained by playing 1 when the number of those playing 1 is k. Verify whether the game is monotone and, in particular, whether

$$u_0(k) - u_0(k+1) = u_1(k) - u_1(k+1)$$

for all $1 \le k < n$. For 1 < k < n, denote by $s_0^k \in \{0,1\}^n$ any of the $\binom{n}{k}$ strategy profiles where $k = |\{i : s_i = 0\}|$, and by $\mathbf{P} : \{0,1\}^n \to \mathbb{R}$ the exact potential function. Determine $\mathbf{P}(s_0^k)$. Is there any relation between the set of strong equilibria and the set of equilibria (with non-random strategies)? How many equilibria are there?

3. Verify whether the *n*-tuple of random strategies $\frac{1}{2} \in [0,1]^n$ where every $i \in N$ plays both 0 and 1 with equal probability, i.e. $\frac{1}{2}$, is an equilibrium.

2.1 Solution

2.1.1 Prerequisites

- See [3], [4], [5], [8]
- Preference relation. reflexive, transitive and complete.
- Preference aggregation. mainly [5];
- Common interest game. mainly [5];
- Potential game.
- Congestion game.
- Dominance.

2.1.2 Notation

- $\Gamma = (\mathbb{N}, \mathbb{S}, u_i)$. Γ è il gioco definito dall'esercizio.
- $\mathbb{N} = \{1, ..., n\} = A$ set of n elements called players.
- $\mathbb{S}_i = \{0,1\} = A$ set of 2 elements called strategies. A strategy can have many levels, in fact an element of \mathbb{S}_i can be another set of strategies and so on. For flat strategy set we use the name *alternative*. I the our game there are n strategy sets. Each element of the strategy set \mathbb{S}_i has value 0 or 1. Nevertheless, the process of value assignment can continue to infinity if we look at 0 and 1 not as number or as value of real set \mathbb{R} but as a name indicating a choice.

In altre parole, assumiamo che gli elementi di \mathbb{S}_i siano i numeri reali $0,1\in\mathbb{R}$.

- $\mathbb{S} = \mathbb{S}_1 \times, ..., \times \mathbb{S}_n$. Strategy profiles set. Insieme di ennuple $(a_1, ..., a_n)$ con $a_1, a_n \in \{0, 1\} \subseteq \mathbb{R}$. Insieme degli outcomes. Insieme dei prospetti. In condizione di completa informazione ogni giocatore conosce tutti i prospetti ed il rispettivo valore dato dalla sua funzione di utilità u_i .
- $s \in \mathbb{S}, s^* \in \mathbb{S}$

- s_i . Sia data $s \in \mathbb{S} = (s_1, ..., s_n)$ una tupla, allora s_i indica l'iesimo elemento all'interno della tupla s. E.g. s = (3, 6, 9, 45) allora $s_2 = 6$. Per fortuna tutti gli indici iniziano da 1. Sottolineamo questo fatto perchè molto spesso in computer science and specifically in programming languages indices start from 0.
- $s_{-i} = \text{E.g.}$ $s_{-2} = (3, 9, 45)$. Questa notazione serve per poter suddividere le componenti o coordinate del generico settore. Una volta distinte da diversi nomi le coordinate possono essere utilizzate nella definizione della funzione stessa.
- $(s_i, s_{-i}) = \text{E.g.} (6, (3, 9, 45)) = (3, 6, 9, 45).$
- $u_i(s)$ = funzione di utilità dell'iesimo giocatore.

2.1.3 Is this a common interest game?

Definition 1. Common interest games are those where there is a strategy profile $s^* \in \mathbb{S}$ such that $s^* \gtrsim_i s$ for all $s \in \mathbb{S}$. [5].

In altre parole, nei common interest games esiste una strategia che è preferita da tutti i giocatori. In altre parole, il best response set di tutti i giocatori è diverso dall'insieme vuoto. E qui sta l'inghippo, l'intersezione non va fatta a gruppi di due giocatori, ma per tutti i giocatori. Bisogna intersecare il best response set di tutti i giocatori.

svolgimento ERRATO

Definition 2. A game Γ is a common interest game iif Best response strategy set for player i intersecanting best response strategy set for player j is not empty.

In altre parole il comune interesse è modellato sull'intersezione di insiemi. Che potremmo assiomatizzare come segue:

Let A be a set, let B be a set then if $A \cap B = \emptyset$ indica che non c'è comune interesse.

Potremmo restringere la definizione sopra e considerare il caso ovvero l'insieme delle strategie in cui la utility function del giocatore i-esimo restituisce un valore maggiore di zero.

Proposition 3. Γ is a common interest game.

svolgimento CORRETTO

Proposition 4. Γ isn't a common interest game.

Proof. We'll prove that this proposition is false by constructing a set of strategy profiles that are elements of $BR_i \cap BR_j$ for all $i, j \in \mathbb{N}$. Those construction can be given by strategy profiles in which there are k=2 quantitá di 1s. Either for i and j playing 1s is the best responses when i or j play 1s and the others play 0. So, for all i and $j \in \mathbb{N}$. So Γ is a common interest game. Contraddiction. \square

2.1.4 Is this a constant-sum game?

Proposition 5. Γ is a constant-sum game.

Proof. For n = 3 players let be s, s^* two strategy profiles with $s^* = (0, 0, 0)$ and s = (1, 0, 0) then the sum of the payoffs of the players is not equals for s and s^* .

$$u_1(s^*) + u_2(s^*) + u_3(s^*) \neq u_1(s) + u_2(s) + u_3(s)$$

Contraddiction

Per i calcoli si rimanda al companion html/javascript file containing some code examples on how to calculate combination on a set of class k.

2.1.5 Are there Pareto-dominated strategy profiles?

Proposition 6. S contains pareto-dominated strategy profiles.

Proof. For all games strategy profiles in which every player play 0 or every player play 1 are pareto-dominated strategy profiles because if a player deviates from its choice then obtain a plus and no other player can do less than they do. \Box

2.1.6 Regarding as congestion game

For n=4

s	$(u_1(s), u_2(s), u_3(s), u_4(s))$	$u_1 + u_2 + u_3$	$\mathrm{num}\ \mathrm{of}\ 0\mathrm{s}$	num of 1s
0000	(0, 0, 0, 0,)	0	4	0
0001	(0.0625, 0.0625, 0.0625, 0.5625,)	0.75	3	1
0010	(0.0625, 0.0625, 0.5625, 0.0625,)	0.75	3	1
0011	(0.25, 0.25, 0.25, 0.25,)	1	2	2
0100	(0.0625, 0.5625, 0.0625, 0.0625,)	0.75	3	1
0101	(0.25, 0.25, 0.25, 0.25,)	1	2	2
0110	(0.25, 0.25, 0.25, 0.25,)	1	2	2
0111	(0.5625, 0.0625, 0.0625, 0.0625,)	0.75	1	3
1000	(0.5625, 0.0625, 0.0625, 0.0625,)	0.75	3	1
1001	(0.25, 0.25, 0.25, 0.25,)	1	2	2
1010	(0.25, 0.25, 0.25, 0.25,)	1	2	2
1011	(0.0625, 0.5625, 0.0625, 0.0625,)	0.75	1	3
1100	(0.25, 0.25, 0.25, 0.25,)	1	2	2
1101	(0.0625, 0.0625, 0.5625, 0.0625,)	0.75	1	3
1110	(0.0625, 0.0625, 0.0625, 0.5625,)	0.75	1	3
1111	(0,0,0,0,)	0	0	4

Inoltre,

$$u_0(k) = u_0(0) = 0$$

$$u_0(k) = u_0(1) = 0.5625$$

$$u_0(k) = u_0(2) = 0.25$$

$$u_0(k) = u_0(3) = 0,0625$$

$$u_0(k) = u_0(4) = 0$$

And,

$$u_1(k) = u_1(0) = 0$$

 $u_1(k) = u_1(1) = 0.5625$
 $u_1(k) = u_1(2) = 0.25$
 $u_1(k) = u_1(3) = 0,0625$
 $u_1(k) = u_1(4) = 0$

So,

$$u_0(0) - u_0(1) = 0 - 0.5625$$

 $u_1(0) - u_1(1) = 0 - 0.5625$

Then,
$$u_0(0) - u_0(1) = u_1(0) - u_1(1)$$

3 Exercise

For $M=\{1,\ldots,m\}$, consider the symmetric congestion game where every player $i\in N=\{1,\ldots,n\}$ has strategy set $\mathbb{S}_i=\mathcal{K}\subset 2^{2^M}$ consisting of the m! maximal chains $\{A_0,A_1,\ldots,A_{m-1},A_m\}\in\mathcal{K}$ of subsets of M. That is,

$$M = A_m \supset^* A_{m-1} \supset^* \cdots \supset^* A_1 \supset^* A_0 = \emptyset$$
, where

$$A_k \supset^* A_{k-1} \Leftrightarrow A_k \supset A_{k-1}, |A_k| = |A_{k-1}| + 1 \ (1 \le k \le m)$$

is the *covering relation*. Hence the set of facilities is $\{A : \emptyset \subset A \subset M\}$. For every strategy profile $s = (s_1, \ldots, s_n) \in \mathcal{K}^n$, denote i's strategy $(i \in N)$ by

$$s_i = \{A_0, A_1^i, \dots, A_{m-1}^i, A_m\} \in \mathcal{K},$$

and define congestion vector $\{c_A(s): \emptyset \subset A \subset M\} \in \mathbb{Z}_+^{2^m-2}$ by

$$c_A(s) = |\{i : A \in s_i\}|.$$

Finally, utilities have form

$$u_i(s) = \sum_{0 < k < m} \frac{1}{c_{A_k^i}(s)}.$$

In what follows, distinguish between cases (a) $n \leq m$ and (b) n = m!.

- 1. Is this a common interest game? If yes, then determine the (non-empty) set of strategy profiles where each player attains the maximum payoff. If no, then show that different players have different optimal strategy profiles. Is this a constant-sum game? If yes, then show that any two strategy profiles $s, s' \in \{0,1\}^n$ provide the same aggregate payoff, that is to say $\sum_{i \in N} u_i(s) = \sum_{i \in N} u_i(s)$. If no, then show that there are different strategy profiles providing different aggregate payoffs. Are there Pareto-dominated strategy profiles? If yes, then provide examples of pairs of strategy profiles one of which Pareto-dominates the other. If no, then show that for any pair of strategy profiles neither one Pareto-dominates the other.
- 2. Characterize the set of equilibria and the set of strong equilibria (with non-random strategies). Compute the value $\mathbf{P}(s)$ taken by the exact potential \mathbf{P} at any equilibrium s.
- 3. Verify whether the random strategy profile consisting of n uniform distributions over the m!-set K of maximal chains is an equilibrium or not.

3.1 Solution

3.1.1 Prerequisites

Definition 3. For any symmetric congestion game form $F = (N, M, \times_{j \in \mathbb{N}} \mathbb{S}_j)$, if union $\cup_{j \in \mathbb{N}} \mathbb{S}_j$ diplays no bad configuration, then $SE(\Gamma) = NE(\Gamma)$ for all monotone congestion games Γ derived from F.

- bad configuration ???
- monotone congestion game ???
- non-singleton strategies

Definition 4. Union $\bigcup_{j\in N} \mathbb{S}_j$ of all n strategy sets diplays a bad configuration if there are two facilities $a, a' \in M$ and three strategies $s, s', s'' \in \bigcup_{j\in N} \mathbb{S}_j$ such that $a \in s \not\ni a'$ and $a \not\in s' \ni a'$ while $a, a' \in s''$ (this indeed may be regarded as an acyclity condition for deviations of non-singleton coalitions, to be compared with the finite improvement property of all potential games). [5].

non-singleton strategies

3.1.2 Notation

- $\mathcal{K} = a \text{ set.}$
- P(s) = funzione potenziale.
- \mathbf{P} = potenziale.

$$c_A(s) = |\{i : A \in s_i\}|.$$

. Numero di giocatori che hanno scelto una strategy che contiene ${\cal A}$ come sottoinsieme.

3.1.3 Analysis of the game definition

LET G = (N, M, u) be SYMMETRIC CONGESTION GAME

LET M be SET

LET m be |M|, m also represents the (variable) name of the m-nth element..

LET k be INDICES of M

LET A_k be SET ??? kappesimo sottoinsieme di di elementi di M

LET A_k IN 2^M

LET $|2^M| = 2^m$

LET A be SET

LET XXX be a CHAIN

LET K^n be SET - of all stategy profiles

LET s be ELEMENTS of K^n

LET s_i be i-esima componente del vettore s.

LET s_i be MAXIMAL CHAIN where i-esimo player is present in every subset of the chain. A CHAIN IS A SET OF SUBSET OF M???!

A MAXIMAL CHAIN IS A SET IN WHICH THERE ARE |M| elements (Subsets of M).

The utility function

$$u_i(s) = \sum_{0 < k < m} \frac{1}{c_{A_k^i}(s)}.$$

Given a strategy among the whole set of strategies that we have calculate in combinatorial way in previous sections, the utility function gives us an element of \mathbb{R} that represents the value of the preference assigned to that strategy profile by the utility function itself.

The strategy profiles Set In the utility function appears $s \in \mathcal{K}^n$. s is the generic strategy profile and like every strategy profile it is an element of a generic set X^n in which n represents the number of players.

$$s = (s_1, \ldots, s_i, \ldots, s_n).$$

The generic strategy s_i of player i s_i is a set of subsets of M

Example for m = n = 4 Let $M \dots$

With the companion javascript/html code Giuseppe Baudo.html, we generate all subsets of ${\cal M}.$

```
Reticolo:
 Liv. 0
          0000
 Liv. 1
          0001
                  0010
                         0100
                                 1000
 Liv. 2
          0011
                  0101
                         0110
                                 1001
                                        1010 1100
 Liv. 3
          0111
                  1011
                         1101
                                 1110
 Liv. 4
          1111
0000 = \emptyset \ 1111 = M
```

The items of the above table have special meaning. In fact, for example, 0011 represents the set in which contains the 3rd and 4th element of M. So $M = \{1, 2, 3, 4\}$ then $0011 = \{3, 4\}$.

Unfortunately, 0011 is not yet the (set) strategy (or alternatives) of a player i but may appears as elements of the (set) alternatives we are looking for.

Un maximal chain è un insieme composto da tanti elementi quanti sono il numero di livelli del reticolo. A tale condizione bisogna aggiungere però la seguente: l'i-esimo elemento del maximal chain deve essere uno tra quelli appartenenti al livello i corrispondente del reticolo.

Siccome il gioco è simmetrico, allora tutti i giocatori hanno lo stesso \mathbb{S}_i Quindi,

$$s_1 = ((1, 2, 3, 4), (1, 2, 3), (1, 2), (1), 0)$$

$$s_2 = ((1, 2, 3, 4), (1, 2, 3), (1, 2), (2), 0)$$

$$s_3 = ((1, 2, 3, 4), (1, 2, 3), (2, 3), (3), 0)$$

$$s_4 = ((1, 2, 3, 4), (1, 2, 3), (1, 4), (4), 0)$$

oppure

$$s_4 = ((1, 2, 3, 4), (1, 2, 3), (2, 4), (4), 0)$$

Quindi,

$$s = (s_1, s_2, s_3, s_4)$$

Quanto paga una strategia (strategy profiles)? La generica strategia s è un insieme di sottoinsiemi. Quanto vale un insieme di sottoinsiemi? Dipende dagli elementi.

The congestion vector

Definition 5. The congestion vector $\{c_A(s): \emptyset \subset A \subset M\} \in \mathbb{Z}_+^{2^m-2}$ is defined by

$$c_A(s) = |\{i : A \in s_i\}|.$$

The congestion vector is a vector. To calculate components of the congestion vector we need two inputs: a set A and a generic strategy profile s.

Nel nostro caso il congestion vector sarà una ennupla di due elementi. In realtà avremo quattro ennuple di due elementi.

$$c_{(1,2,3,4)}(s) = 4$$

$$c_{(1,2,3)}(s) = 4$$

$$c_{(2,3)}(s) = 1$$

$$c_{(1)}(s) = 1$$

Then c(s) = (4, 4, 1, 1)

Where $c_{(1,2,3,4)}(s)$ represents the number of player that holds

as subset.

Who is A_k^i ? A_k^i is a subset of M and specifically it is the facility that occupy the k-level of the lattice that is employed by i-player in its maximal chain employed in the strategy profile.

E.g.

$$A_1^1 = (1)$$

sempre uguale a 1.

$$A_2^1 = (1, 2)$$

1/2

$$A_3^1 = (1, 2, 3)$$

1/4

 $u_1(s)$ sommatoria di rapporti tra 1 e il numero di giocatori che hanno usato la facility ...

$$u_1(s) = 1 + \frac{1}{2} + \frac{1}{4} = \frac{7}{4}$$

3.1.4 Is this a common interest game?

Proposition 7. Per $n \leq m$, the game Γ is a common interest game.

Proof. If the proposition is true then exists a strategy profile s^* such that $u_i(s^*) \geq u_i(s)$ for all $s \in S$ and for all players $i \in N$. The strategy profile s^* in which every player choose a different strategy is what we are looking for.

Proposition 8. Per n = m!, Γ is not a common interest game.

3.1.5 Is this a constant-sum game?

Proposition 9. For $n \leq m$ or n = m!, Γ is not constant-sum game.

3.1.6 Are there Pareto-dominated strategy profiles.

Yes, where all players play the same strategy is pare to-dominated either for $n \leq m$ or n = m!.

- 3.1.7 Characterize the set of equilibria.
- 3.1.8 Characterize the set of strong equilibria

 $E_{\eta}^{C}(f)$

- 3.1.9 Compute the value P(s) taken by the exact potential P at any equilibrium s.
- 3.1.10 Verify whether random strategy profile consisting of n uniform distributions over the m!-set \mathcal{K} of maximal chains is an equilibrium or not.

4 Exercise

Let $M = \{1, \dots, 10\}$ and define

Let $f:M \to \{0,1\}$ by

Let $f(i) = \begin{cases} 1 \text{ if } i \text{ is a prime,} \\ 0 \text{ otherwise.} \end{cases}$ Compute the discrete Choquet integral $E_{\eta}^{C}(f)$

of f with respect to fuzzy probability $\eta: 2^M \to [0,1]$ defined by

$$\eta(A) = \binom{11}{2}^{-2} \left(\sum_{i \in A} i\right)^2 \text{ for all } A \in 2^M.$$

4.1 Solution

$$E_{\eta}^{C}(f) = \sum_{1 \le i \le 10} [f(\omega_{i}) - f(\omega_{i-1})] \eta(\{\omega_{i}, ..., \omega_{m}\}) =$$

$$= f(\omega_{7}) = [\eta(\{\omega_{7}, ..., \omega_{10}\}) =$$

$$= 1[\frac{1}{55^{2}}(2+3+5+7)^{2}] = \frac{17^{2}}{55^{2}} \simeq 0.096$$

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