

Q1

|          |   | Player 2        |                  |                 |
|----------|---|-----------------|------------------|-----------------|
|          |   | a               | b                | c               |
| Player 1 | x | <del>0, 4</del> | <del>2, -1</del> | <del>6, 2</del> |
|          | y | <del>1, 2</del> | 3, 5             | 5, 2            |

- ① for player 2, c is weakly dominated by a
- ② for player 1, y is strictly dominated by x
- ③ for both player 2, a is dominated by b.

b his best response is to bid \$49, since if others are going to bid, they will have to bid at least 50, which will have at most 0 benefit, and if others are not going to bid, he is going to have 1 benefit.

3, all undominated strategy at random means everyone pick at random,

So average will be 50

and  $\frac{3}{4}$  of average will be 37.5 (close to 38)