Introduction to Game Theory

ECON 212

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Preface

Disclaimer   Much of the information on this set of notes is transcribed directly/indirectly from the lectures of ECON 212 during Fall 2021 as well as other related resources. I do not make any warranties about the completeness, reliability and accuracy of this set of notes. Use at your own risk.

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What is game theory? It is study of strategic interactions between agents (players). One player is maximizing its utility subject to other constraints. The outcome ...

What do we mean by game? Unlike common definition of game like chess, monopoly, in this course, we mean strategic interactions between agents in any arena: politics, economic competition.

We are going to analyze these situations by building models (which are necessarily an incomplete abstraction). If we understand the "game", more likely to "win" at it. If we don't like it, we can sometimes change it, or not play it at all.