

EE5885 HW3

Normal Form Game

Below is the description of Alice's game:

After class, Alice has three options:

- Go to the club (C), the baseline utility is 100.
- Watch a movie (M) – the baseline utility is 50.
- Go home (H) – the baseline utility is 50.

Bob has two options:

- Go to the club (C), the baseline utility is 70.
- Watch a movie (M), the baseline utility is 40.

If Alice meets Bob, Alice receives -30 disutility, Bob receives 40 bonus utility.

- 1) (30 pts) List Bob and Alice's strategy set.
- 2) (30 pts) Draw the utility table.
- 3) (30 pts) Find a pure strategy Nash Equilibrium for this game.
- 4) (10 pts) Find the pareto optimum for this game.