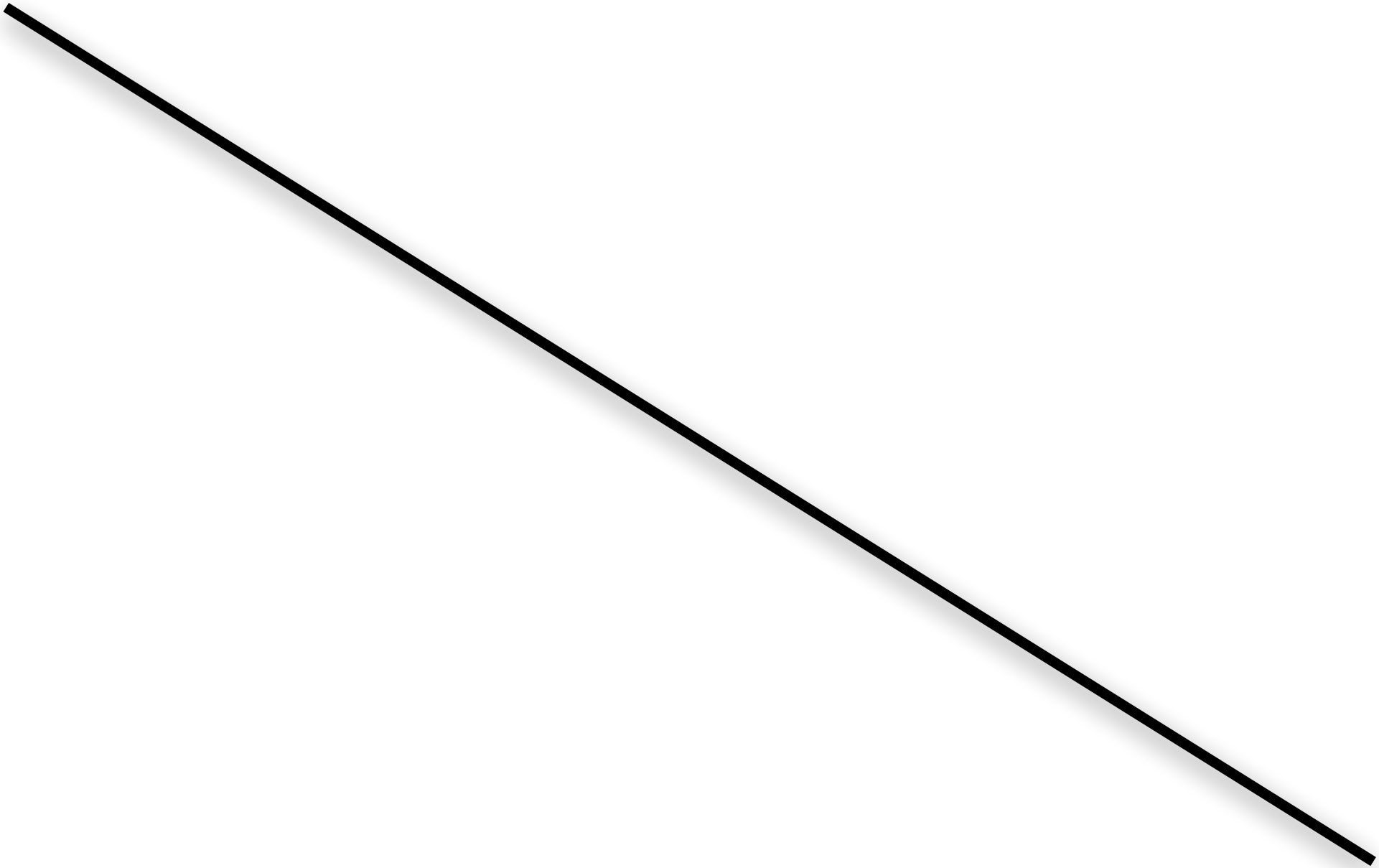
If country A cooperates

If country B cooperates



A gets:

$960

B gets:

$960

If country B cheats

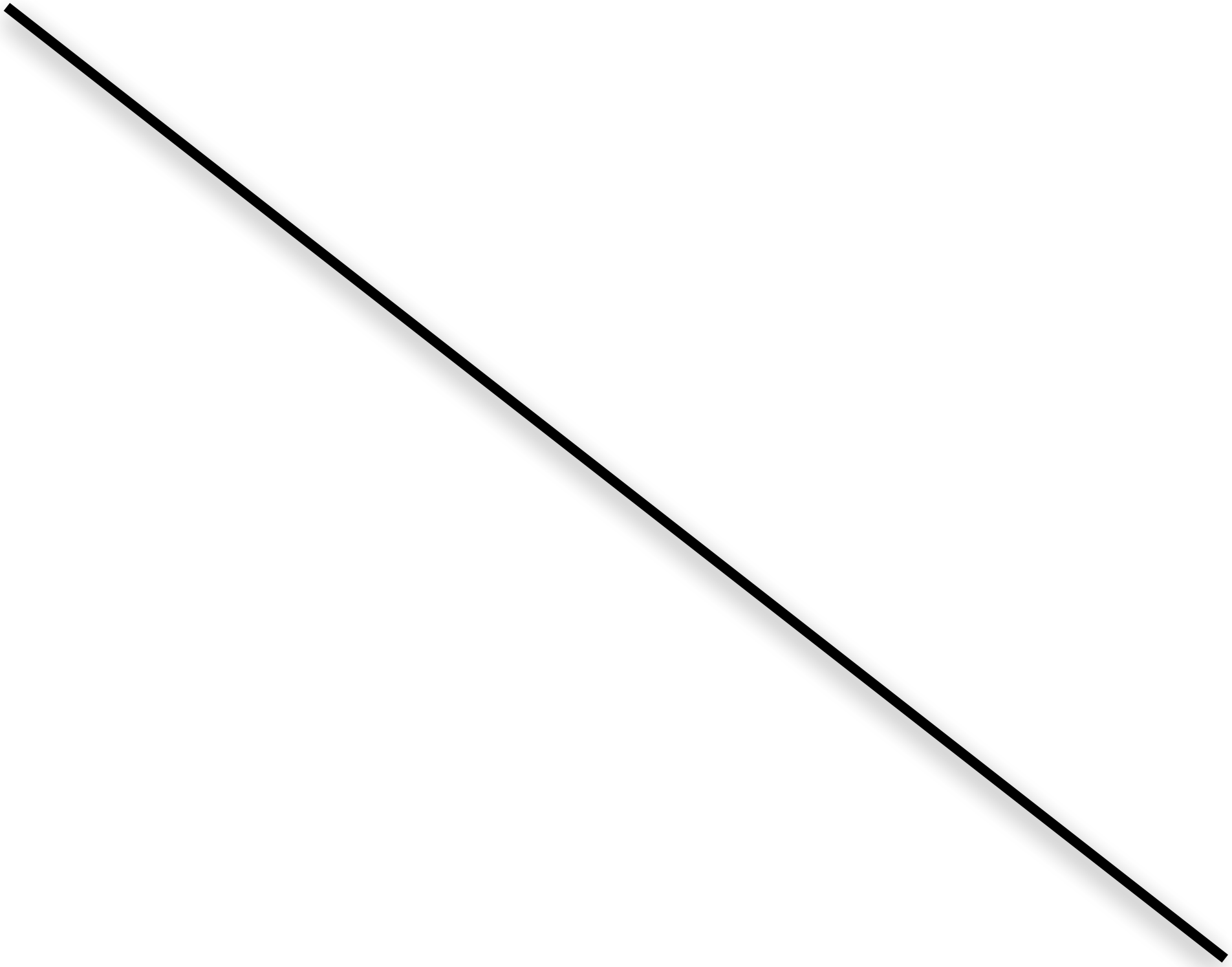
If country A cheats

A gets:

$840

B gets:

$840

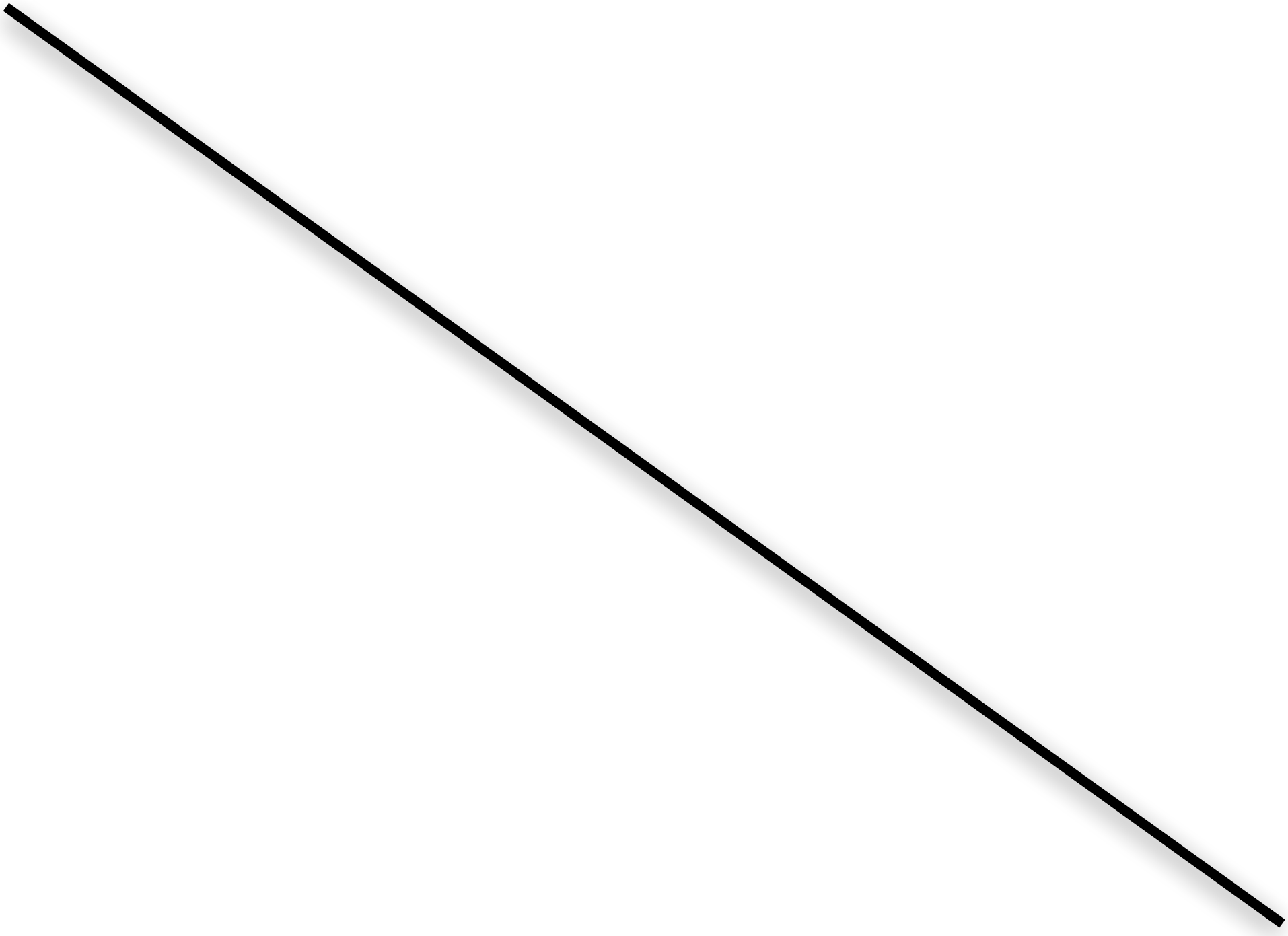


A gets:

$1,260

B gets:

$720

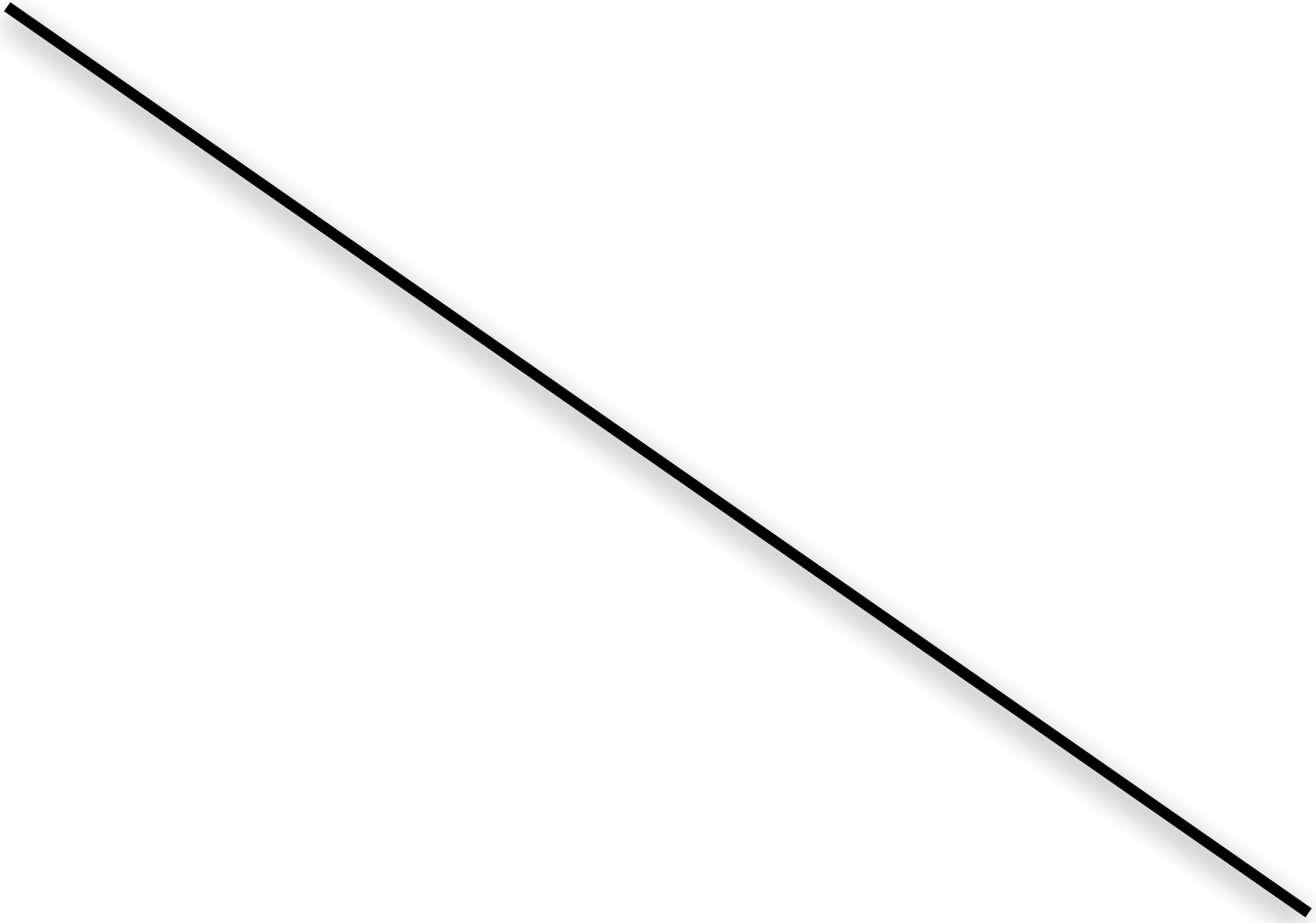


A gets:

$720

B gets:

$1,260



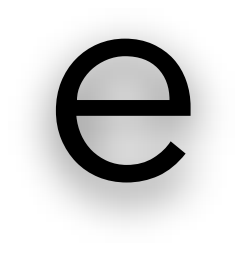
If country A cooperates

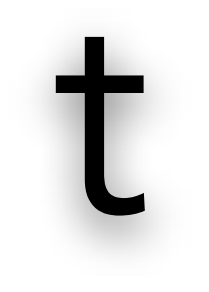
If country B cooperates

If country A cheats

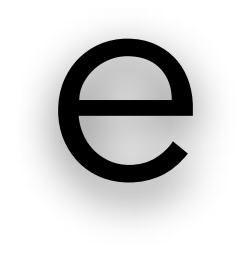
What should country A do if B cooperates?

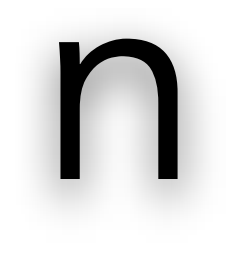
W

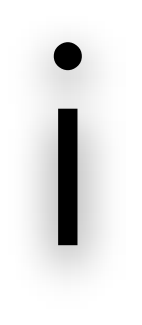


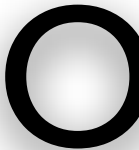


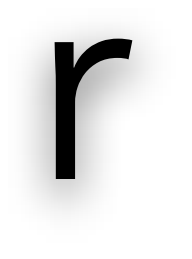
h

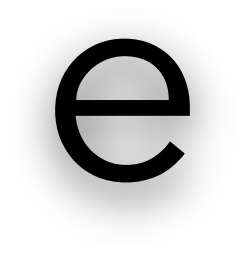


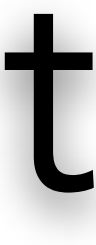

n

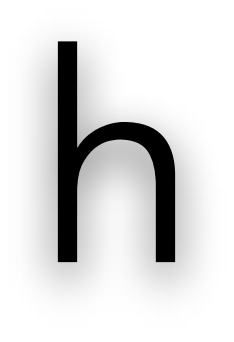


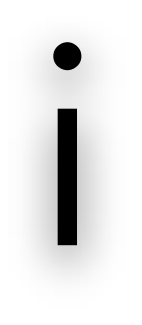


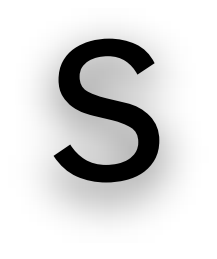




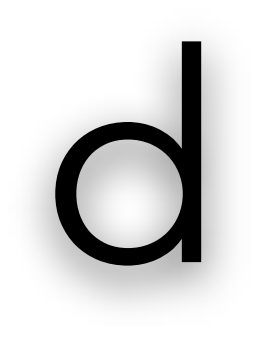


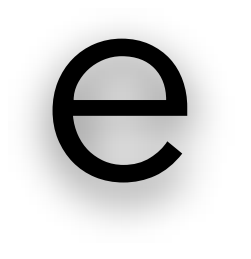


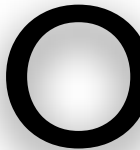


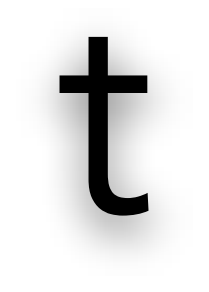

S

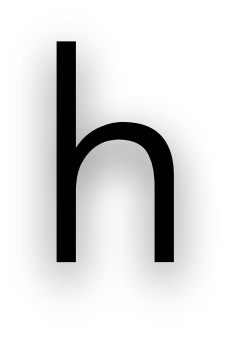

S

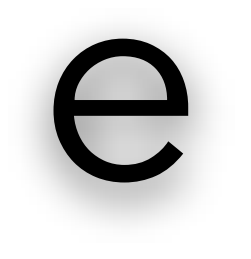


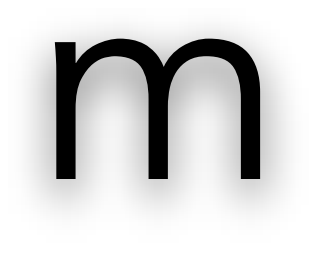




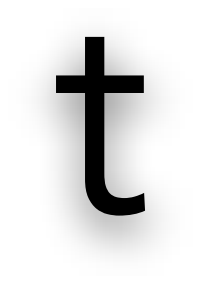



h



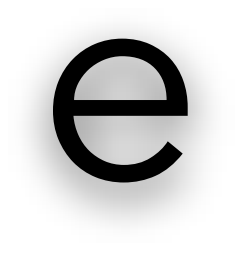


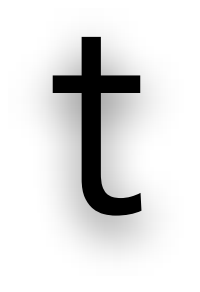

a

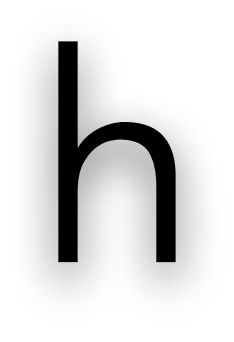


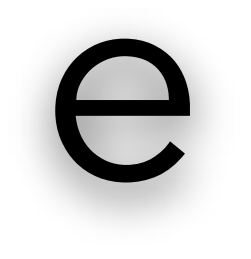
r

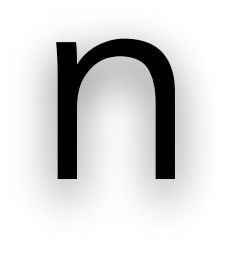
W

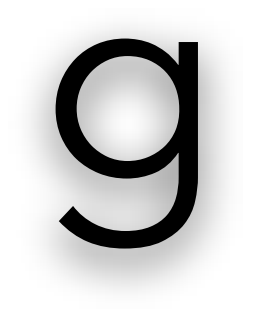


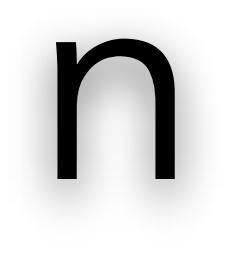

t

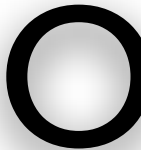


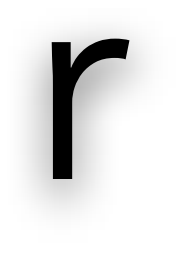


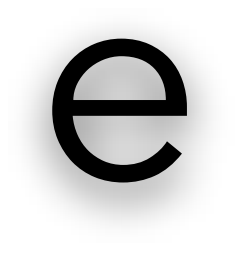

n

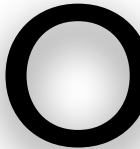

g

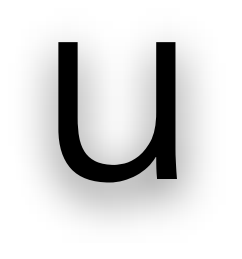

n

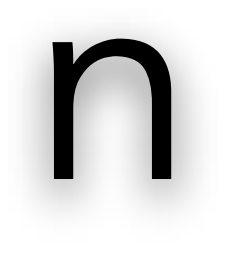


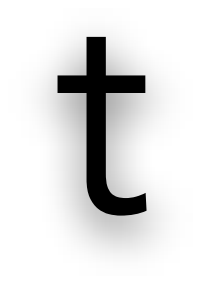

r

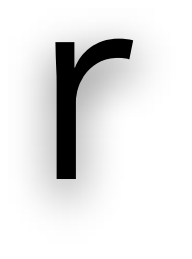


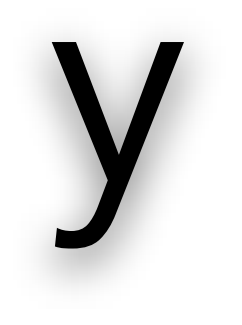


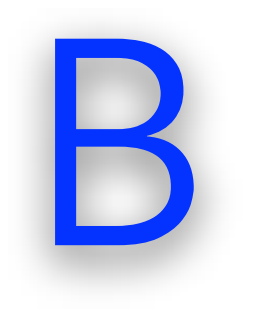



n



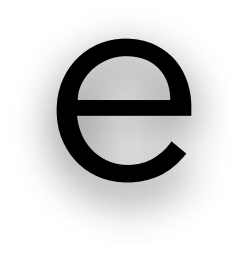


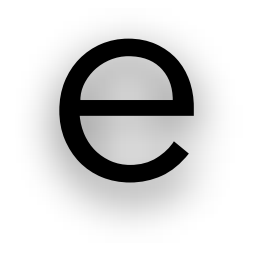

y

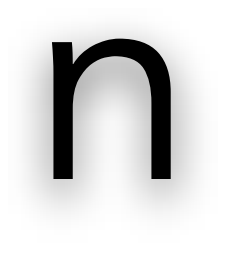

B

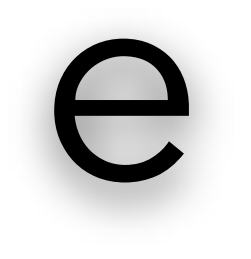
S

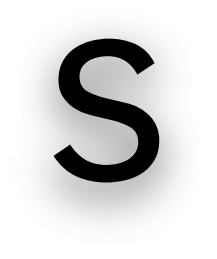
r

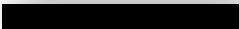


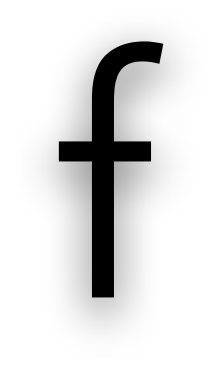


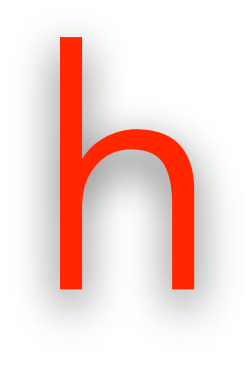

n



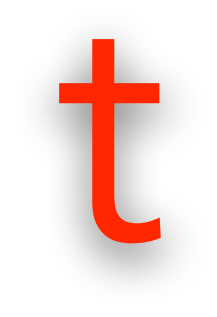

S



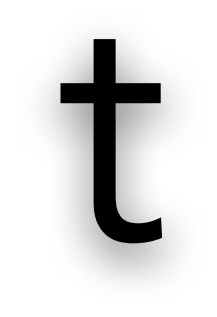


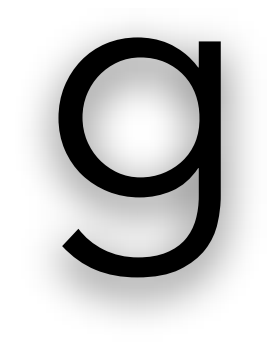

h

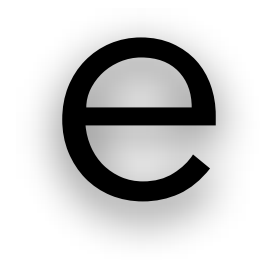

a

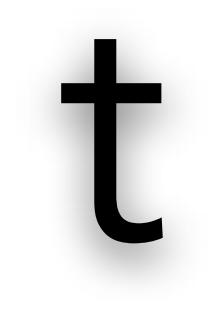



S





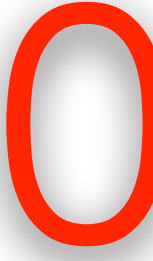


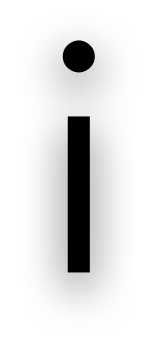


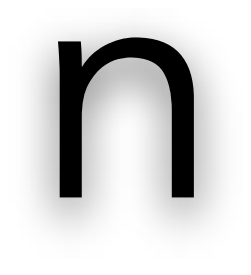
1

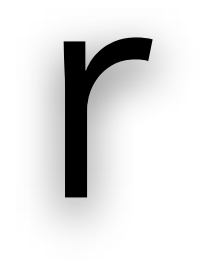

2

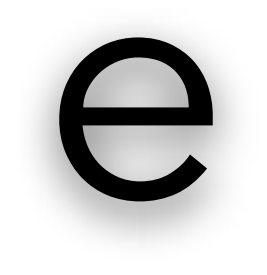

6

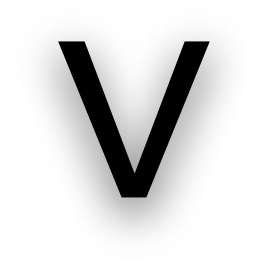


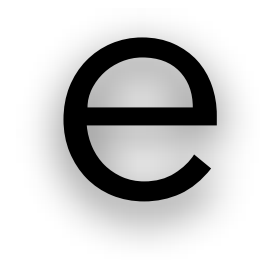


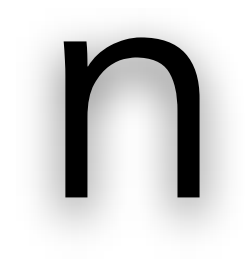


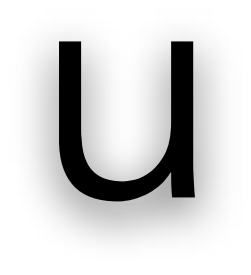

r

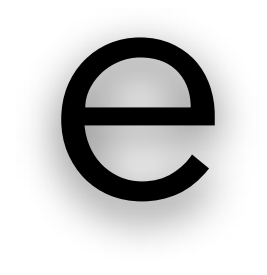




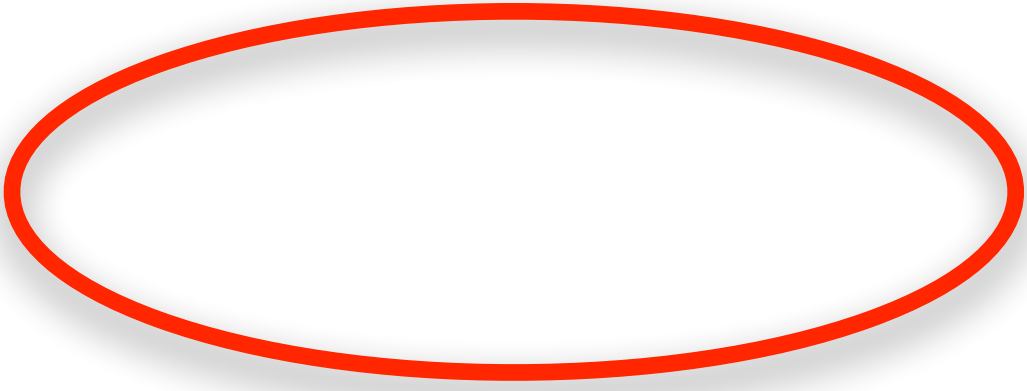


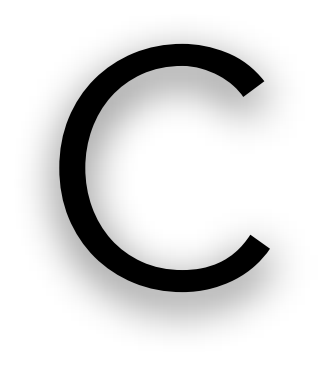

n

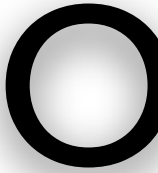


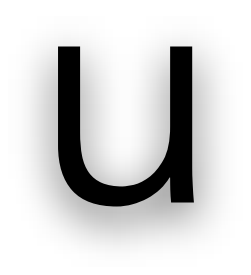


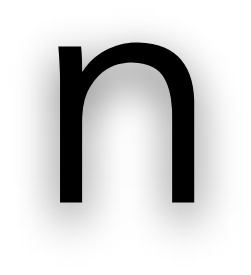
If A cooperates, it gets $960 in revenue

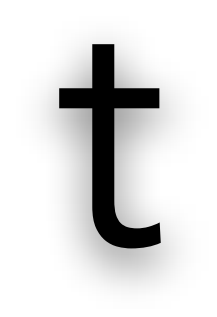


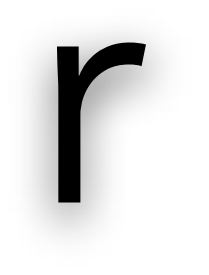


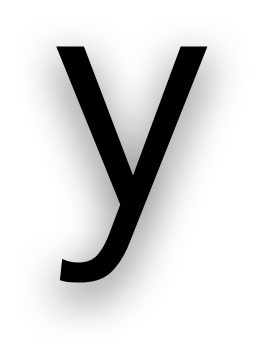


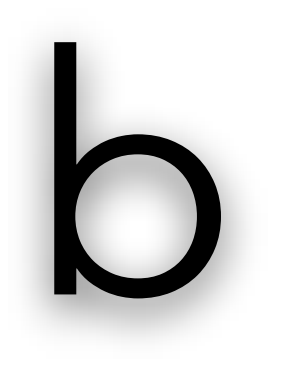


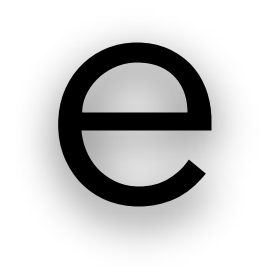


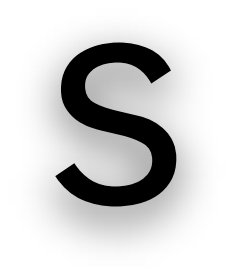


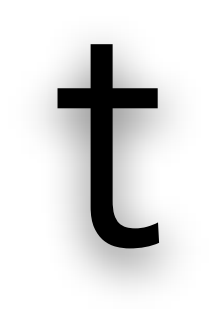


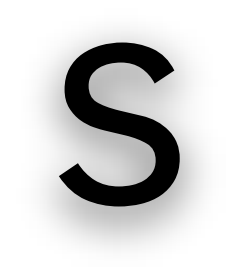

y

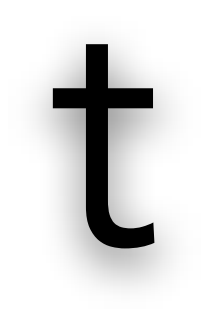


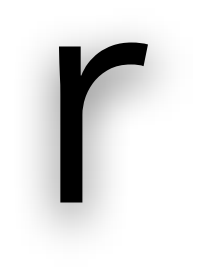


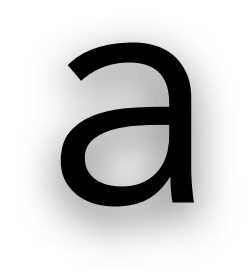


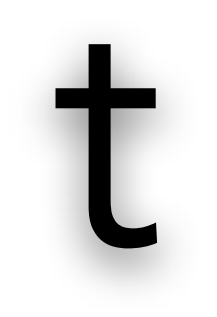


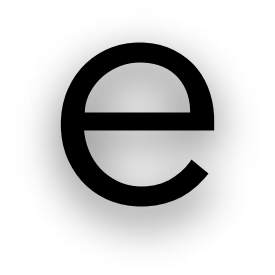




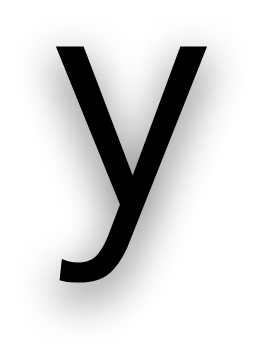


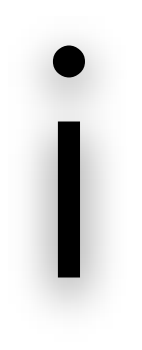

a

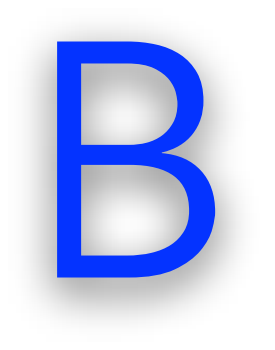


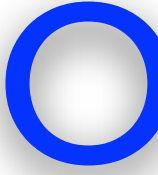


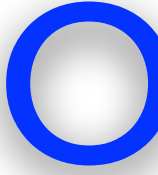

g


y

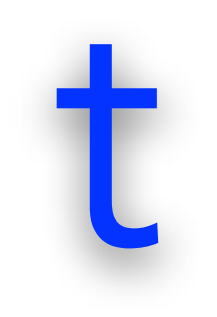


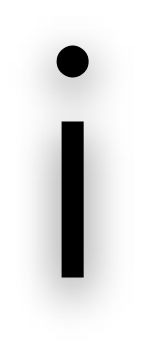

B

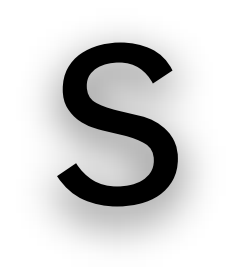


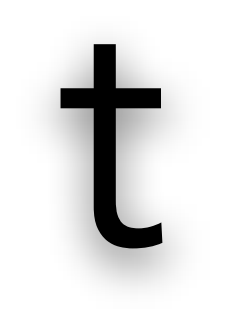


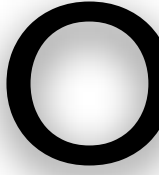

a



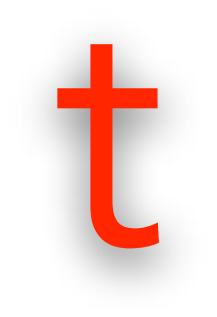









a



Let's find the best strategy for Country A

Country A only cares for its own revenue


Best:
cheat

We then ignore this side of the matrix

We then ignore country B's revenues

If A cheats, it gets $1,260 in revenue

Country A's best strategy if B cooperates is to cheat

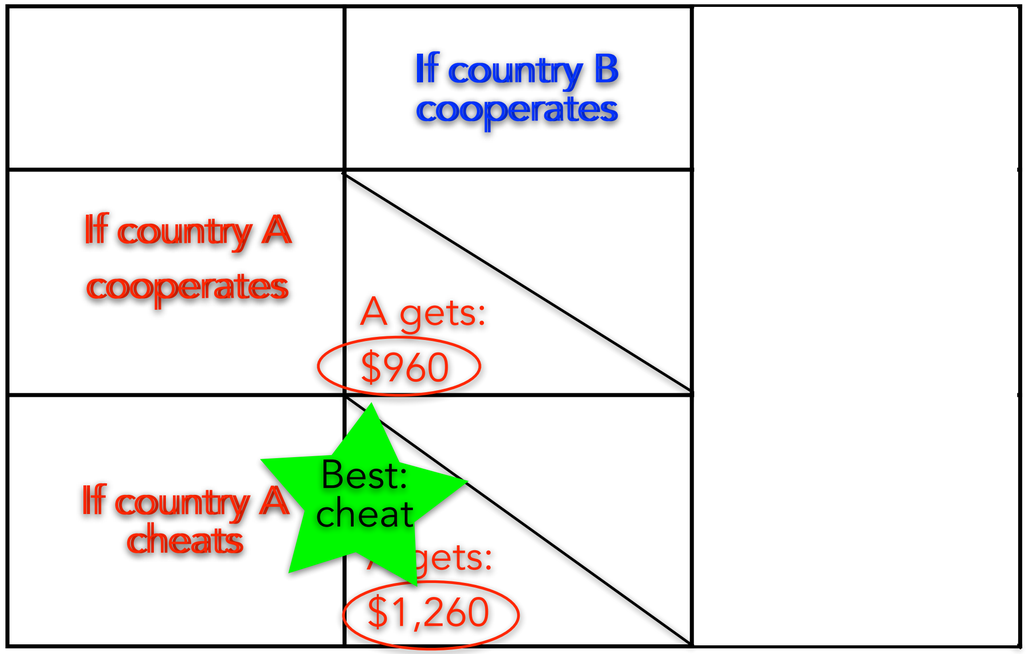
Let's find the best strategy for Country A

What should country A do if B cooperates?

Country A only cares for its own revenue

We then ignore country B's revenues

We then ignore this side of the matrix



Country A's best strategy if B cooperates is to cheat

If A cooperates, it gets $960 in revenue

If A cheats, it gets $1,260 in revenue

Let's find the best strategy for Country A

	If country B cooperates	If country B cheats
If country A cooperates	B gets: $960 A gets: $960	B gets: $1,260 A gets: $720
If country A cheats	B gets: $720 A gets: $1,260	B gets: $840 A gets: $840