

Stochastic Signal Processing

Lesson 2 – Experiment: changing a simulation system

Weize Sun

Problem of codes (this year)

- There are some problems of the submitted program:
 - data format error

无法执行赋值，因为左侧和右侧的元素数目不同。

出错 Run_Strategies (第 13 行)

```
Strategies_one_trade(12) = id12(counterparty_list(12));
```

出错 main (第 34 行)

```
Strategies_one_trade = Run_Strategies(counterparty_list)
```

```
function [your_strategy] = id12(counterparty_id)
load infor_id12.mat;
load storage_id12.mat;

if counterparty_action==0
    your_strategy=round(rand); %this means th
else
    your_strategy=round(rand(0,10));
    if your_strategy<3
        your_strategy=0; %this means that you
    end
end
Trade_no=Trade_no+1;
save('storage_id12','Trade_no','your_id');
```



```
function [your_strategy] = id12(counterparty_id)
load infor_id12.mat;
load storage_id12.mat;

if counterparty_action==0
    your_strategy=round(rand); %this means that you
else
    your_strategy=randi([0, 9]);
    if your_strategy<3
        your_strategy=0; %this means that you will l
    end
end
Trade_no=Trade_no+1;
save('storage_id12','Trade_no','your_id');
```

Problem of codes (**this year**)

- There are some problems of the submitted program:
 - Wrong parameter name

无法识别的字段名称 "counterpart_action"。

出错 **id20** (第 13 行)

```
counterpart_action = inforData.counterpart_action;
```

出错 **Run_Strategies** (第 21 行)

```
Strategies_one_trade(20) = id20(counterparty_list(20));
```

出错 **main** (第 34 行)

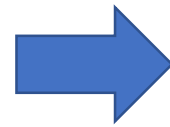
```
Strategies_one_trade = Run_Strategies(counterparty_list);  
% this time
```

```
function [strategy_id20] = id20(counterparty_id)  
    X = 4;  
    Y = 5;  
    your_strategy = 1; % this strategy means that you w  
    inforData = load("infor_id20.mat");  
    counterpart_id = inforData.counterparty_id;  
    counterpart_action = inforData.counterpart_action;  
    storageData = load("storage_id20.mat");  
    Trade_on = storageData.Trade_on;  
    your_id = storageData.your_id;  
    if counterpart_action == 1  
        Trade_on = Trade_on - Y;  
    elseif counterpart_action == 0  
        Trade_on = Trade_on + 2*X;  
    end  
    save("storage_id20.mat", 'Trade_on', '-append');  
    strategy_id20 = counterpart_id;  
end
```

First is the error in the variable names:
counterparty_action

Trade_no

Second, the code is difficult to understand,
recommended to provide comments, which makes
the code easier to understand



```
%%  
% counterpart_id is the ID of the counterparty you are ;  
% this time  
function [your_strategy] = id20(counterparty_id)  
    your_strategy = 1; % this strategy means that you w  
end
```

Problem of codes (this year)

- There are some problems of the submitted program:
 - Saving strange things

出错 id29 (第 21 行)

```
save('storage_id29', 'Trade_no', '29')
```

出错 Run_Strategies (第 30 行)

```
Strategies_one_trade(29) = id29(counterparty_list(29));
```

出错 main (第 34 行)

```
Strategies_one_trade = Run_Strategies(counterparty_list);
```

%% Now we begins

```
function [your_strategy] = id29(counterparty_id)
load storage_id29.mat
if mod(Trade_no,2) == 0
    your_strategy = 0; % this means that you will trust
else
    your_strategy = 1; % this means that you will betray
end
Trade_no = Trade_no + 1;
save('storage_id29', 'Trade_no', '29')
% your strategy will trush one person and then betray one
% ONLY save your data in the file storage_id21.mat,
% otherwise you will be treated as 'homework not submitte
end
```

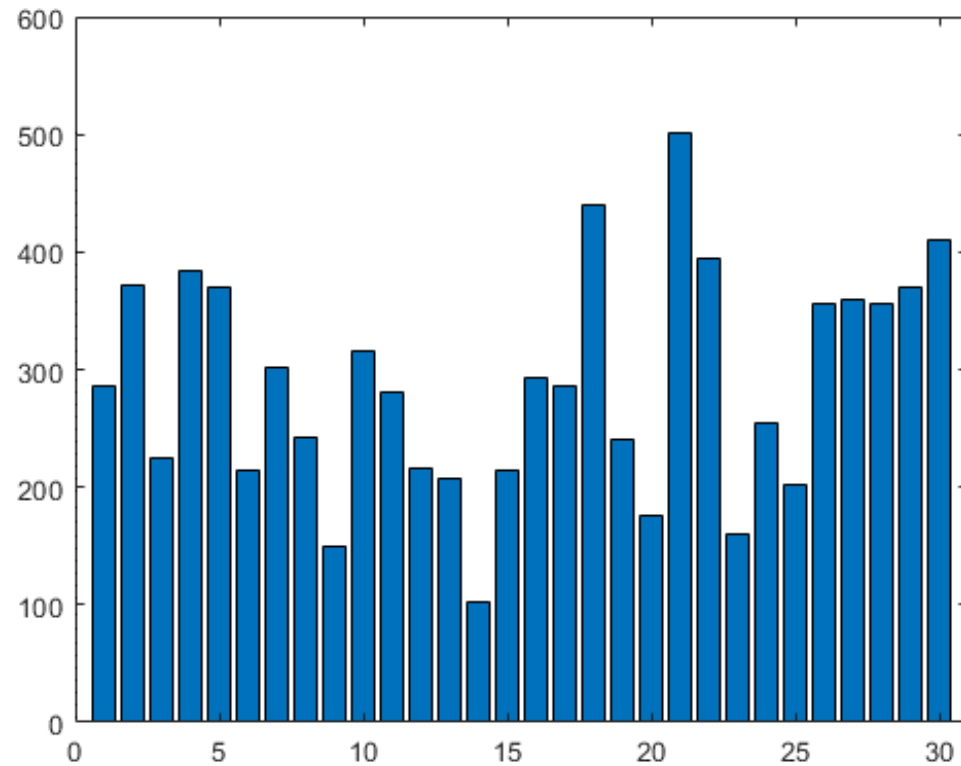


%% now we begins

```
function [your_strategy] = id29(counterparty_id)
load storage_id29.mat
if mod(Trade_no,2) == 0
    your_strategy = 0; % this means that you will trust
else
    your_strategy = 1; % this means that you will betr
end
Trade_no = Trade_no + 1;
save('storage_id29', 'Trade_no', 'your_id')
% your strategy will trush one person and then betray o
% ONLY save your data in the file storage_id21.mat,
% otherwise you will be treated as 'homework not submit
end
```

Results from Last Game

- Run 100 times among 30 persons
 - Note that the result will be different every time, as 100 trades is a small number

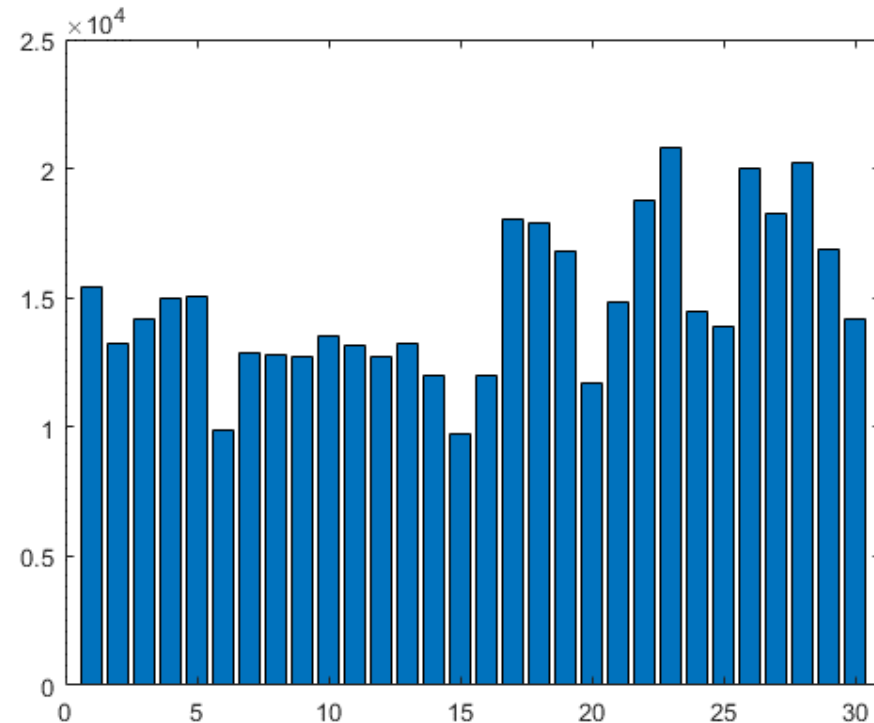


Results from Last Game

- Run 5000 times among 30 persons
 - If you run this again, you will see very similar result
 - This is the origin of the so called ‘Monte Carlo’ Simulation: test your model with an extremely long time (here, it means trade a large number of times), and give the average performance
 - However, a person cannot trade with others 5000 times in real life, that is unrealistic

可以作万头脚本打开。有大详细信总，请

```
clear;  
clc;  
% the above two comma  
  
N_trades = 5000;  
N_persons = 30;
```



Then how to be realistic?

- In each game, there are totally 20 trades. That is more realistic as one person cannot perform 5000 ‘important’ trades in his whole life
- In each game, take the top 5 person with highest value as winners, and record them with ‘+1’
- Repeat the game 1000 times.
 - This is the basic idea of ‘Statistics’, and also exactly the idea of ‘Monte Carlo’ **Simulation**: repeat an experiment a large number of times, and output the average result
 - It means: if you can repeat your life 1000 times, what is the total numbers you can win, or
 - The average performance of your strategy in 1000 parallel worlds

Results from Last Game

```
clear;
clc;
% the above two commands clear all the previous record in the Memory

Repeated_trails = 1000;           % repeat the game Repeated_trails times
N_trades = 20;                   % trade N_trades times
N_persons = 30;                  % totally N_persons persons
N_persons_pairs = round(N_persons/2); % N_persons_pairs groups

X_betray_trust_point = 4;
Y_betray_betray_point = 5;

Winning_numbers_in_one_game = 5; % assume that the first 5 persons win in this game
ranking_result_total = zeros(N_persons, 1); % store the result of all the games
```


Results from Last Game

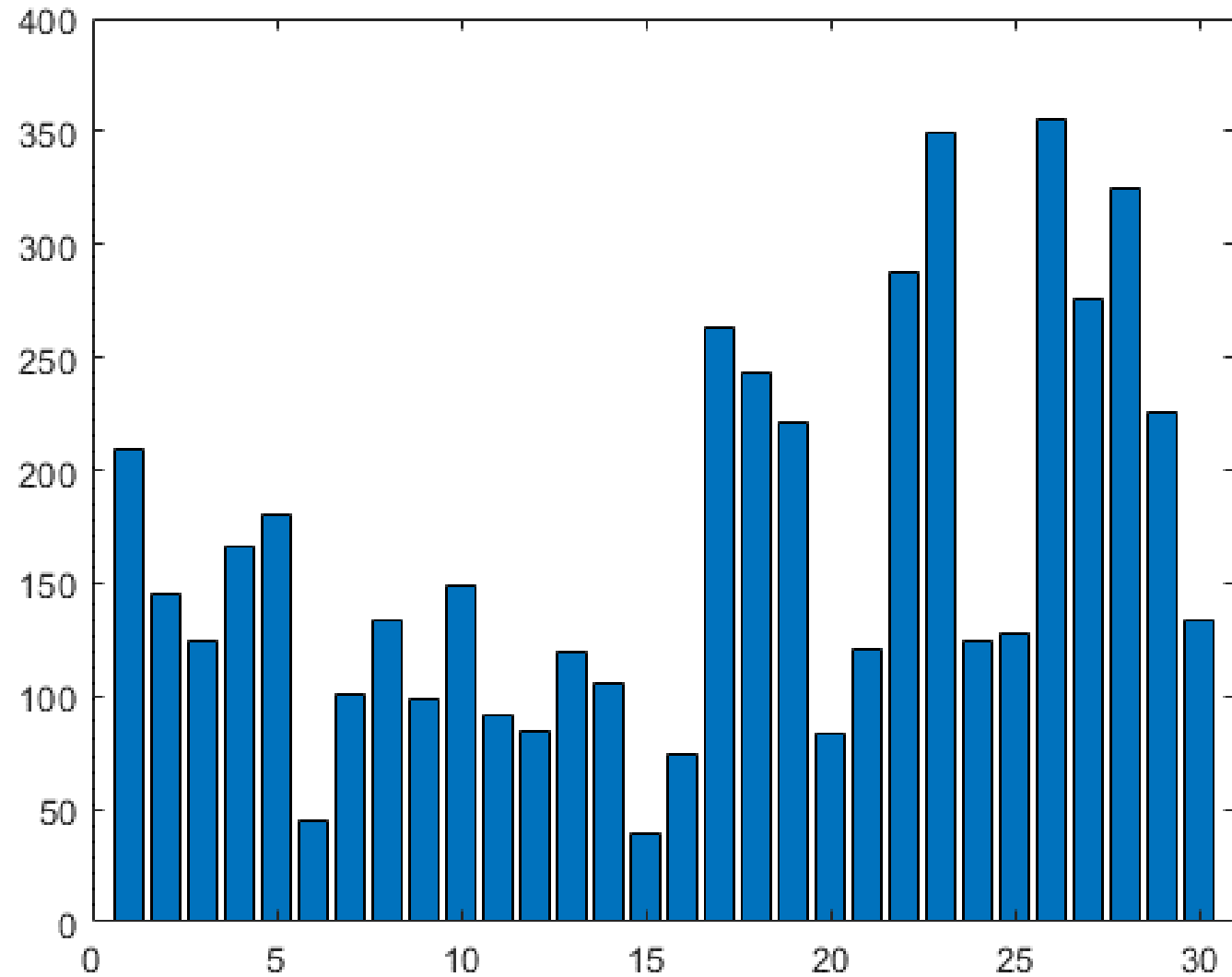
```
end
[Return_total_list, Return_total_index] = sort(Return_total, 'descend');

ranking_result = zeros(N_persons, 1);
ranking_result(Return_total_index(1:Winning_numbers_in_one_game)) = 1;
ranking_result_total = ranking_result_total + ranking_result;
end

% bar(Return_total)
bar(ranking_result_total)
xlim([0, 31])
```

Results from Last Game

- Highest 5:
 - ID22
 - ID23
 - ID26
 - ID27
 - ID28



Results from Last Game

```
% this time
```

```
%% Now we begins
```

```
function [your_strategy] = id26(counterparty_id)
    load storage_id21.mat
    load infor_id21.mat
    if mod(Trade_no,2) == 0
        your_strategy = 0; % this means that you
    else
        your_strategy = 1; % this means that you
    end
    Trade_no = Trade_no + 1;
    save('storage_id21', 'Trade_no', 'your_id')
    % your strategy will trust one person and the
    % ONLY save your data in the file storage_id2
    % otherwise you will be treated as 'homework ....
end
```

```
%% Now we begins
```

```
function [your_strategy] = id28(counterparty_id)
    load infor_id28.mat
    load storage_id28.mat

    your_strategy = 0; % this means that you will trust this pe
    Trade_no = Trade_no + 1;
    save('storage_id28', 'Trade_no', 'your_id')
    % your strategy will trust this person all the time
    % ONLY save your data in the file storage_id28.mat,
    % otherwise you will be treated as 'homework not submitted'
end
```

- Interesting conclusion:
 - In fact, winners will trust a lot, you can test the program yourself
 - Luck is very important, although some other IDs are exactly the same, the results are slightly different
 - But it might be not real for real world, therefore, we need to modify the game!

- The deficiencies of the ‘ranking’ index:
 - In 1000 games, if one strategy win 800 times with final value 10, but loss 200 times with final value -50, it will be given a high score in this ‘ranking’ index
 - But this strategy is very stupid: the expectation is $800*10-50*200=-2000$!
 - We can use the ‘average return’ and the ‘ranking’ to evaluate the strategy comprehensively!
- You can re-write this program by yourself.

Experiment: changing a simulation system

- Now consider this updated game:
 1. There are $N=2K$ persons in the game
 2. In each time, two person (K pairs) will trade with each other
 3. You and your counterparties both have three options:
 - Trade, or says, trust
 - Cheat, or says, betray
 - Reject, or says, refuse to trade

Once both persons choose his/her options, calculate the points he/she get as the table

		A		
		Trust	Betray	Reject
B	Trust	A: +10; B: +10	A: +2X; B: -X	A&B: +0
	Betray	A: -X; B: +2X	A: -Y; B: -Y	A&B: +0
	Reject	A&B: +0	A&B: +0	A&B: +0

Experiment: changing a simulation system

- Now, you are not the participant only, **you are the game designer!**
- You need to consider two parts:
 - Technique part: how to change the system so that the 'Reject' can be added?
 - strategy part: how to design X and Y so that the 'Reject' is useful?
- The Technique part is easy:
 - In previous system, we design '0' = 'Trade' and 'not 0' = 'Betray'
 - Quick question: why not assign '0' = 'Trade' and '1' = 'Betray'?
 - Because, in that case, one might give a strategy '2', or 'A', and the system will fail.
 - Therefore, we must define at least one option of the system as 'others'
 - For example:
 - '0' = 'Trade' and '>0' = 'Betray'
 - 'others' = 'Reject'

Experiment: changing a simulation system

```
if Strategy_this==0                                '0' = 'Trade' and '>0' = 'Betray'
    if Strategy_counterparty==0                    'others' = 'Reject'
        Return_one_trade(person_id) = 10;    % both trust, add 10 points
    elseif Strategy_counterparty>0
        Return_one_trade(person_id) = -X_betray_trust_point;    % self trust, counterparty betray, -X = -
    else
        Return_one_trade(person_id) = 0;    % self trust, counterparty reject, 0 points
    end
elseif Strategy_this>0
    if Strategy_counterparty==0
        Return_one_trade(person_id) = 2*X_betray_trust_point;    % self betray, counterparty trust, + 2 *
    elseif Strategy_counterparty>0
        Return_one_trade(person_id) = -Y_betray_betray_point;    % self betray, counterparty betray, -Y
    else
        Return_one_trade(person_id) = 0;    % self betray, counterparty reject, 0 points
    end
else    % self reject, always 0 points, no matter what counterparty action is
    Return_one_trade(person_id) = 0;
end
```


Experiment: changing a simulation system

- Before we goes on, let's see some bugs, or the unsatisfying parts of the previous system, and change them first.
- Let's take the previous default **id21.m** as an example

```
% Print your student ID and Name here, for example
% 000000    Weize Sun

%%
% your_strategy returns your strategy of the trade this time
% your_strategy = 0 means that you want to trust the counterparty this time
% your_strategy not equal to 0 means that you want to betray the
% counterparty this time
%%
% counterparty_id is the ID of the counterparty you are going to trade with
% this time
%% Now we begins
function [your_strategy] = id21(counterparty_id)
    load storage_id21.mat
    if mod(Trade_no, 2) == 0
        your_strategy = 0; % this means that you will trust this person
    else
        your_strategy = 1; % this means that you will betray this person
    end
    Trade_no = Trade_no + 1;
    save('storage_id21', 'Trade_no', 'your_id')
    % your strategy will trush one person and then betray one and goes on
    % ONLY save your data in the file storage_id21.mat,
    % otherwise you will be treated as 'homework not submitted'
end
```

Here, it load the 'storage_id21.mat' at default, and use the 'Trade_no' to decide his strategy. It will leads to the following problems:

1. If there is no 'storage_id21.mat', the system will fails.
 2. The 'storage_id21.mat' might give a default value of 'Trade_no' randomly, making the strategy very unstable
- For a game participant, he should care about the 2nd problem majorly (also, he should care about the 1st problem in order to avoid failure of his program);
 - But, for the game designer, he should care about the 1st problem seriously!

Experiment: changing a simulation system

- Before we goes on, let's see some bugs, or the unsatisfying parts of the previous system, and change them first.
- Let's take the previous default **id21.m** as an example

```
% Print your student ID and Name here, for example
% 000000    Weize Sun

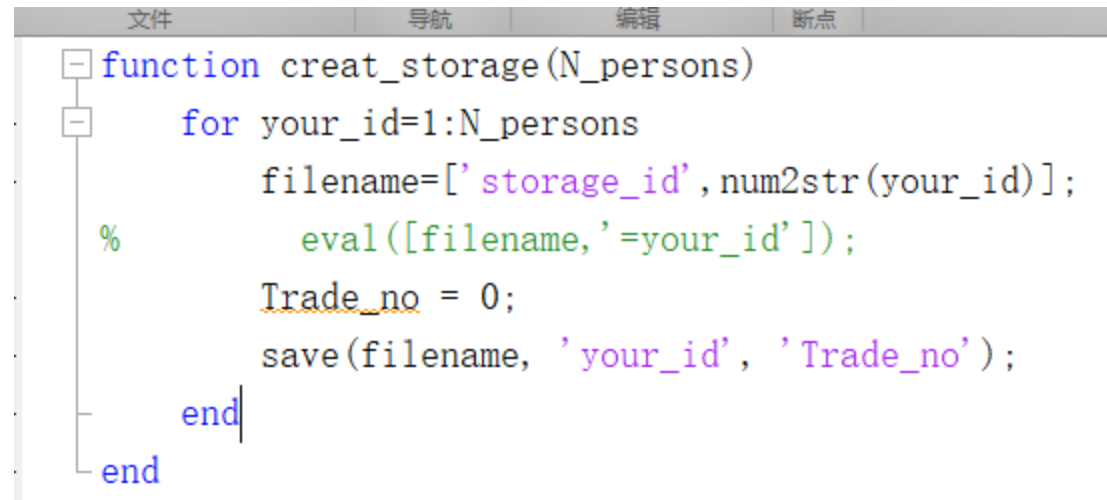
%%
% your_strategy returns your strategy of the trade this time
% your_strategy = 0 means that you want to trust the counterparty this time
% your_strategy not equal to 0 means that you want to betray the
% counterparty this time
%%
% counterparty_id is the ID of the counterparty you are going to trade with
% this time
%% Now we begins
function [your_strategy] = id21(counterparty_id)
    load storage_id21.mat
    if mod(Trade_no, 2) == 0
        your_strategy = 0; % this means that you will trust this person
    else
        your_strategy = 1; % this means that you will betray this person
    end
    Trade_no = Trade_no + 1;
    save('storage_id21', 'Trade_no', 'your_id')
    % your strategy will trush one person and then betray one and goes on
    % ONLY save your data in the file storage_id21.mat,
    % otherwise you will be treated as 'homework not submitted'
end
```

Therefore, in the main program, we should add some codes to generate a default 'storage_idXX.mat' with a parameter 'Trade_no', then the system will be of less possibility to fail.

Experiment: changing a simulation system

- That is:

```
creat_storage(N_persons) % create all the 'storage_idXX.mat'
```



```
function creat_storage(N_persons)
    for your_id=1:N_persons
        filename=['storage_id', num2str(your_id)];
        % eval([filename, '=your_id']);
        Trade_no = 0;
        save(filename, 'your_id', 'Trade_no');
    end
end
```

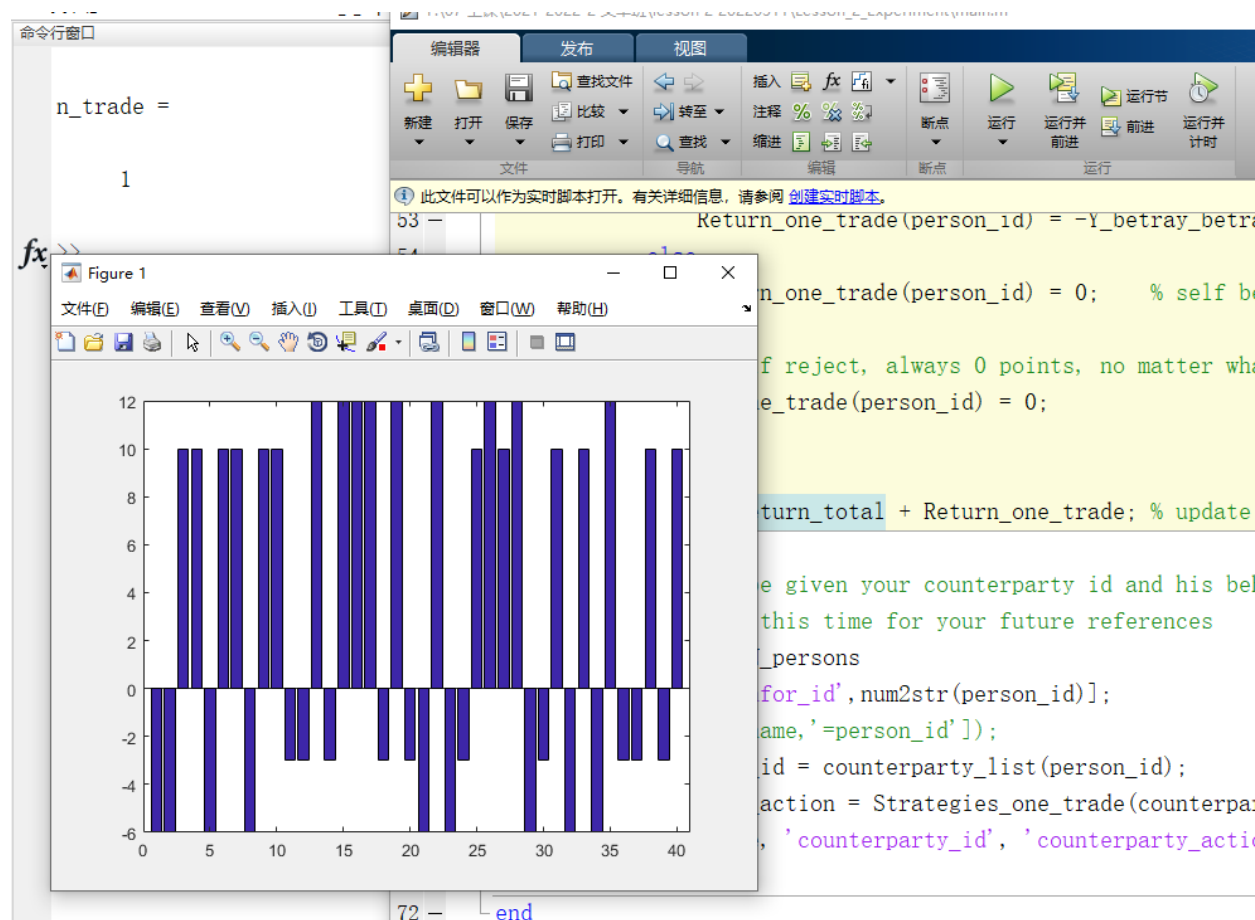
- 这段程序的作用为：在主程序中，在游戏开始时，给所有的storage_idXX.mat文件里面创造了一个Trade_no=0，这等于给了一个约束和指示：
 - 约束：使每次游戏开始时，有一个统一的标准数字
 - 指示：作为游戏的参与者（IDXX），参与者不能调用主程序的数据，但是可以看到自己的storage_idXX.mat文件中的Trade_no；当它为0的时候，说明游戏刚开始。而这个Trade_no可以在每次游戏后+1，指示游戏的进度。

Experiment: changing a simulation system

- Similarly, you are also required to take care of the ‘infor_idXX.mat’, as its generation code is placed in the end of the main loop.
- If there are no ‘infor_idXX.mat’, for example, ‘infor_id31.mat’, in the very beginning, the system will fail!
- Try to modify this system by yourself

Experiment: changing a simulation system

- For example: there is 'infor_idXX.mat'



Experiment: changing a simulation system

- For example: no 'infor_idXX.mat'

命令窗口

```
n_trade =  
  
1  
  
错误使用 load  
无法读取文件 'infor_id31.mat'。没有此类文件或目录。  
  
出错 id31 (line 12)  
load infor_id31.mat  
  
出错 Run_Strategies (line 32)  
Strategies_one_trade(31) = id31(counterparty_list(31));  
  
出错 main (line 36)  
Strategies_one_trade = Run_Strategies(counterparty_list);  
  
fx >>
```

编辑器

```
F:\07_上课\2021-2022-2_文华班\Lesson 2 20220311\Lesson_2_Experiment\main.m  
发布 视图  
新建 打开 保存 比较 转至 插入 注释 断点 运行 运行并前进 运行并计时  
文件 导航 编辑 断点 运行  
此文件可以作为实时脚本打开。有关详细信息, 请参阅 创建实时脚本。  
53 Return_one_trade(person_id) = -Y_betray_betray_point;  
54 else  
55 Return_one_trade(person_id) = 0; % self betray, co  
56 end  
57 else % self reject, always 0 points, no matter what counte  
58 Return_one_trade(person_id) = 0;  
59 end  
60 end  
61 Return_total = Return_total + Return_one_trade; % update the retu  
62 %%  
63 % here you will be given your counterparty id and his behaviour  
64 % information of this time for your future references  
65 for person_id=1:N_persons  
66 filename=['infor_id', num2str(person_id)];  
67 % eval([filename, '=person_id']);  
68 counterparty_id = counterparty_list(person_id);  
69 counterparty_action = Strategies_one_trade(counterparty_id);  
70 save(filename, 'counterparty_id', 'counterparty_action');  
71 end  
72 end
```

- Try to modify this system by yourself

Experiment: changing a simulation system

- Now there comes another problem. Using the ID12 from last year as example:

```
function [your_strategy] = id12(counterparty_id)
    load infor_id12.mat
    load storage_id12.mat
    if counterparty_action == 0
        Trust_no = Trust_no + 1; % count the total number you've been trusted
    else
        Betray_no = Betray_no + 1; % count the total number you've been betrayed
    end
```

if 'Trust_no' / 'Betray_no' does not exist, it will fail

However, as the 'infor_idXX.mat' are newly generated, 'Trust_no' / 'Betray_no' does not exist

- How to modify?

Experiment: changing a simulation system

- Now there comes another problem. Using the ID12 from last year as example:

if 'Trust_no' / 'Betray_no' does not exists, it will fails

However, as the 'infor_idXX.mat' are new generated, 'Trust_no' / 'Betray_no' does not exists

- How to modify?

- 这段程序的作用为：在主程序中，在游戏开始时，给所有的storage_idXX.mat文件里面创造了一个Trade_no=0，这等于给了一个约束和指示：
 - 约束：使每次游戏开始时，有一个统一的标准数字
 - 指示：作为游戏的参与者（IDXX），参与者不能调用主程序的数据，但是可以看到自己的storage_idXX.mat文件中的Trade_no；当它为0的时候，说明游戏刚开始。而这个Trade_no可以在每次游戏后+1，指示游戏的进度。

Experiment: changing a simulation system

- Now there comes another problem. Using the ID12 from last year as example:

```
% this time
function [your_strategy] = id12(counterparty_id)
    load infor_id12.mat
    load storage_id12.mat
    if Trade_no == 0
        Trust_no = randn(1);
        Betray_no = randn(1);
    end
    if counterparty_action == 0
        Trust_no = Trust_no + 1; % count the total number you've been trusted
    else
        Betray_no = Betray_no + 1; % count the total number you've been betrayed
    end
    save('storage_id12', 'Trust_no', 'Betray_no', 'Trade_no')
    if Trust_no > Betray_no
        your_strategy = 0; % this means that you will trust this person
    else
        your_strategy = 1; % this means that you will betray this person
    end
end
```

- Modify your program accordingly

- Now we go back to the strategy problem: **how to design X and Y so that the ‘Reject’ is useful?**
- Generally speaking, it is a ‘strategy’ or ‘Sociology(社会学)’ problem
 - Different person can give different ideology, thus leading to different X and Y
- But, this is a ~~math~~ programming course!
- Therefore, I will simply introduce a ‘programming’ method to decide the X and Y.

- We begin with the following assumptions:
 - The previous default 30 strategies, i.e., id1 to id30, are appropriate
 - 10 always trade; 10 always betray; 10 trade once and then betray once and then go on
 - There are 10 more strategies for us to test the ‘reject’ option
 - Of course, you can use more, for example, you can set ‘N_persons = 300’ and test 270 strategies to see how ‘reject’ works, but that is another story.
 - For these 10 strategies, if the ‘reject’ option is not chosen, randomly trade or betray
 - Other strategies can be set, but this ‘randomly trade or betray’ can make the system more robust to the general case: there are always trade, and betray

- How to design?
 - 10 strategies, with ‘reject’ probability 10% to 100%
 - trade 1000 times
 - Test several pairs of X and Y values, and see which pair make the strategy that ‘reject’ with probability 30% wins
 - Choose this X and Y
- Note: this is just one idea, you can use your idea to do the design
- Your are encourage to try this test, but it is not a homework
- Here I will show one ‘reject after being betrayed’ strategy

Experiment: the reject after being betrayed strategy

```
function [your_strategy] = id40(counterparty_id)
    counterparty_now = counterparty_id;
    % as loading the infor_id40.mat will give a variable named
    % counterparty_id, therefore here, we store the counterparty_id from
    % the input to counterparty_now first!
    % In fact, this problem can be solved by a good design of the system,
    % you can modify the system by yourself, however, when submitting your
    % homework, you are suggested to use this commend!
    load infor_id40.mat
    load storage_id40.mat
    if Trade_no==0
        list_betray = [];
    end
    if counterparty_action > 0
        list_betray = [list_betray; counterparty_id];
    end
    [m]=find(list_betray==counterparty_now);
    % if m is 'empty 0*0 double', then the counterparty_now had not been
    % betrayed you; otherwise, the counterparty_now had betrayed you at
    % least once
    if isempty(m)
        your_strategy = 0;    % if not been betrayed before, trade with this person
    else
        your_strategy = -1;    % otherwise, reject to trade
    end
    Trade_no = Trade_no + 1;
    save storage_id40.mat Trade_no your_id list_betray
end
```

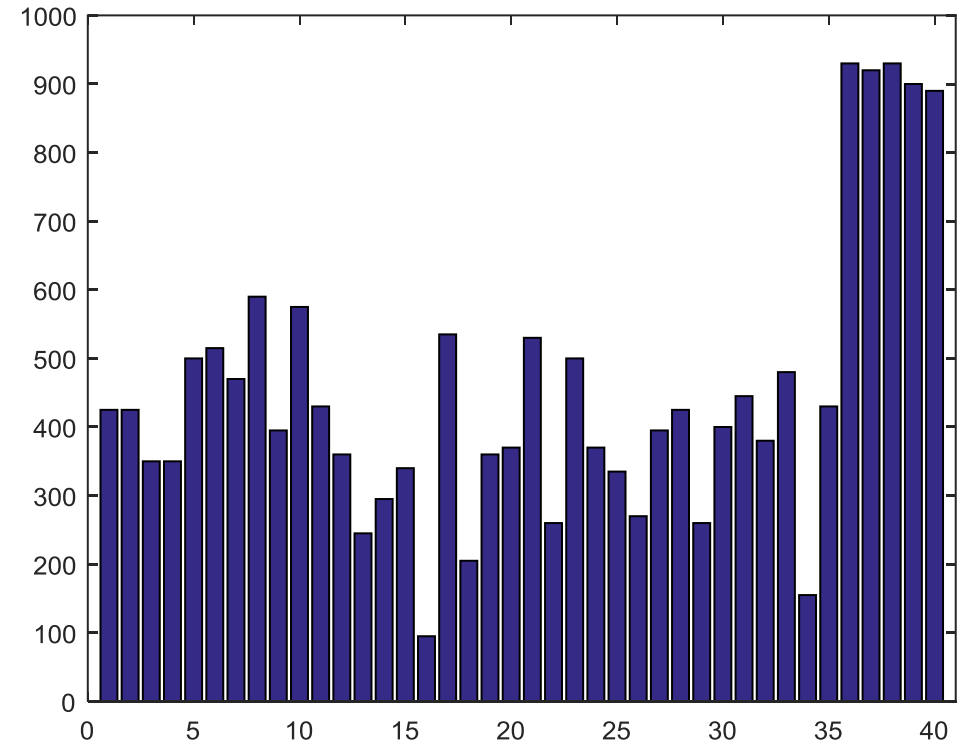
Experiment: the reject after being betrayed strategy

```
load infor_id40.mat
load storage_id40.mat
if Trade_no==0
    list_betray = [];
end
if counterparty_action > 0
    list_betray = [list_betray; counterparty_id];
end
[m]=find(list_betray==counterparty_now);
% if m is 'empty 0*0 double', then the counterparty_now had not been
% betrayed you; otherwise, the counterparty_now had betrayed you at
% least once
if isempty(m)
    your_strategy = 0;    % if not been betrayed before, trade with this person
else
    your_strategy = -1;    % otherwise, reject to trade
end
Trade_no = Trade_no + 1;
save storage_id40.mat Trade_no your_id list_betray
end
```

Experiment: the result

- The settings
 - The setting now: {X=5 and Y=5}, and {Repeated_trails=1, N_trades=200}
 - 10 more default strategies given: 5 ‘betray always’ and 5 ‘reject after being betrayed’, named as id31-35 and 36-40
 - for id1-30, we use default in as previous lesson
 - Therefore, there are now 40 persons

```
Repeated_trails = 1;
N_trades = 1000;
N_persons = 40;
N_persons_pairs = round(N_persons/2);
|
X_betray_trust_point = 5;
Y_betray_betray_point = 5;
```



- It is not strange that id36-40 wins, as I design the ‘reject after being betrayed’ strategy based on the fact that many players betray a lot
- I hope that you can beat my ‘reject after being betrayed’ strategy under {X=5 and Y=5} and {X=8 and Y=5}, in this homework
- Note that, a strategy always trade will not as good as enough (but usable) this time

Experiment: homework

- Programming homework today
 - The setting now: $\{X=5 \text{ and } Y=5\} / \{X=8 \text{ and } Y=5\}$, and $\{\text{Repeated_trails}=1, \text{N_trades}=1000\}$
 - Default strategies: 5 ‘betray always’ and 5 ‘reject after being betrayed’
 - Add the option ‘reject’
 - You can redesign your strategy, and submit it before 03.15 (Fir.) 23:59:59, to 译哲’s email box
 - The problems listed today must not happen again!
- The first two homework (last week and this week) will be attached as attachments of mini project / experimental report 1, with approx. 20-30 points
- Homework submitted in time, and runnable, will get all these points

ID列表

- 请严格按照本列表，交自己ID号的程序
- 23:59:59, 15/03前直接email交给刘译哲

交程序的ID号	学号	姓名		交程序的ID号	学号	姓名		交程序的ID号	学号	姓名
1	2022040399	张桂嘉		11	2022280179	李梓琦		21	2022280450	孙浩然
2	2022090123	徐雷		12	2022280247	林茵茵		22	2022280453	陈奇峰
3	2022110131	廖祖颐		13	2022280297	陈应权		23	2022280485	贾苏健
4	2022270054	詹兴足		14	2022280307	叶朗钊		24	2022280546	张梓荣
5	2022280039	郭瑞煜		15	2022280327	古炜		25	2022280553	林凡超
6	2022280069	曾颖岚		16	2022280365	郭展鹏		26	2022280562	陈柯瑜
7	2022280105	郑志锰		17	2022280380	杨烨		27	2022280573	王梓为
8	2022280142	崔殷霖		18	2022280419	薛玉龙		28	2022280574	马海洲
9	2022280160	姚宇铭		19	2022280432	彭佳		29	2022300013	卫宏林
10	2022280162	曾源原		20	2022280445	何雨璇				