Review For Exam 1

Exam 1 covers Chapter 1, Chapter 2, Chapter 3, Chapter 4, and Chapter 5.

Chapter 2

- Asymmetric Information
- Equilibrium
- Expected Payoff: $E(\pi) = \phi\pi_1 + (1 - \phi)\pi_2$
- Decision vs. Game
- Strategy
- Rational behavior

Chapter 2

- Constant sum games
- Zero sum games
- External vs internal uncertainty
- Payoff
- Sequential Games
- Simultaneous Games

Chapter 3

- Action/decision node
- Backward Induction
- Branch
- Initial Node
- First mover advantage
- Second mover advantage

Chapter 3

- Terminal Node
- Path of play
- Equilibrium path of play
- Rollback equilibrium

Chapter 4

- Coordination Game
- Best Response
- Best Response Analysis
- Chicken
- Convergence of expectations
- Dominance Solvable

Chapter 4

- Dominant Strategy
- Dominated Strategy
- Focal Point
- Game Matrix/Game Table/Normal Form/Payoff Table
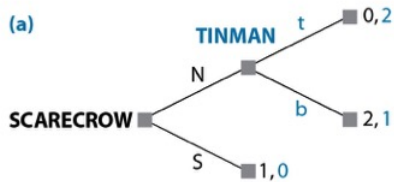- Iterated elimination of dominated strategies
- Mixed Strategy

Chapter 4

- Nash equilibrium
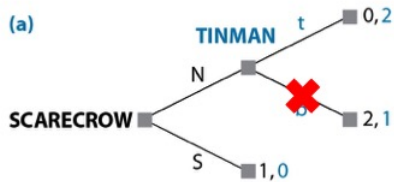- Prisoner's dilemma
- Pure Strategy

Chapter 5

- best response curve
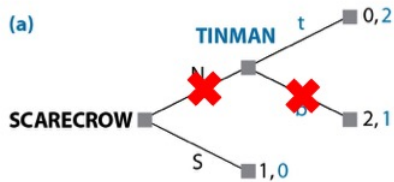- continuous strategy
- rationalizabiity
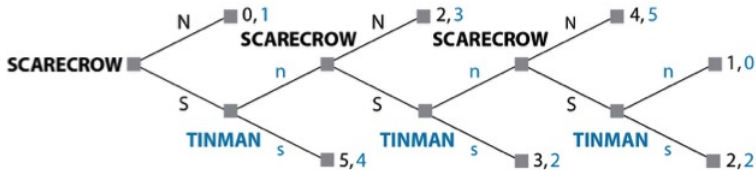- refinement

Chapter 2
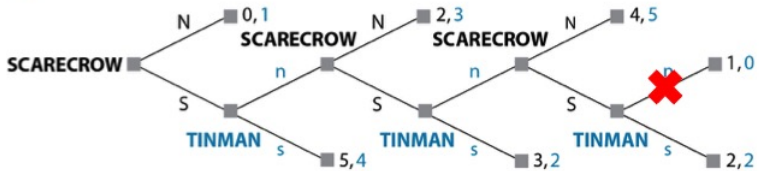
(a)

SCARECROW

N

S — 1, 0

TINMAN

t — 0, 2

b — 2, 1

Chapter 2

(a)

SCARECROW

N

S   1, 0

TINMAN   t   0, 2

2, 1

Chapter 2

(a)

TINMAN t 0, 2

N

SCARECROW

b 2, 1

S 1, 0

Chapter 2

(b)

Chapter 2

(b)

SCARECROW — N → 0, 1
SCARECROW — n → 2, 3
SCARECROW — N → 4, 5
N → 1, 0

S
TINMAN — s → 5, 4
S
TINMAN — s → 3, 2
S
TINMAN — s → 2, 2

Chapter 2

(b)

Chapter 2

(b)

Chapter 2

(b)

Chapter 2

(b)

SCARECROW — N ■ 0, 1
SCARECROW — N ■ 2, 3
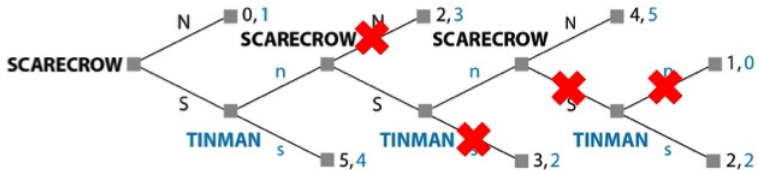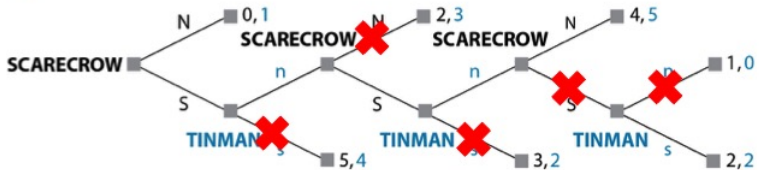SCARECROW — N ■ 4, 5
n
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TINMAN ■ 3, 2
TINMAN ■ 2, 2
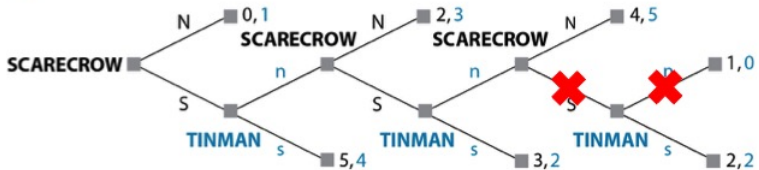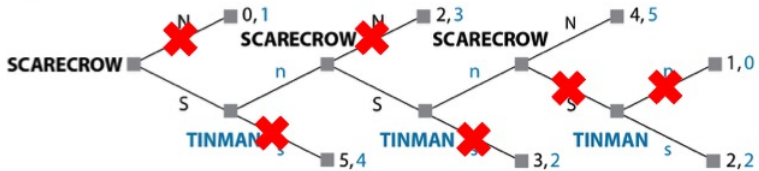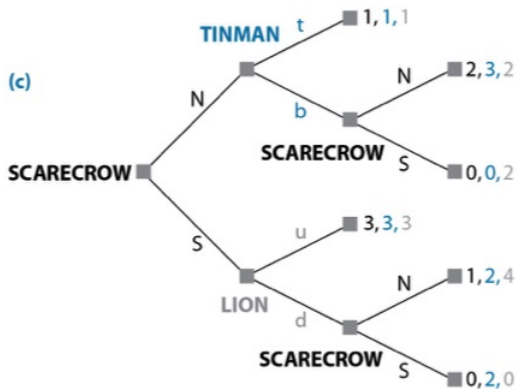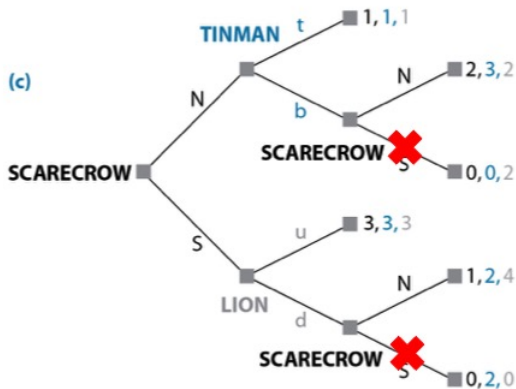
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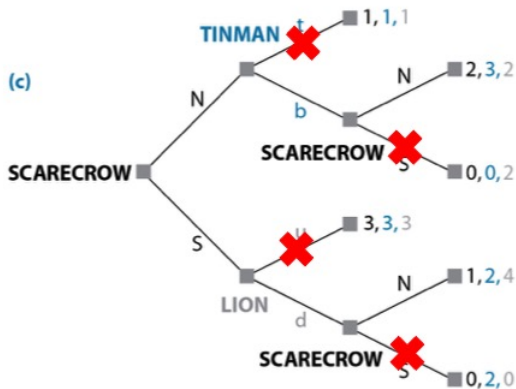
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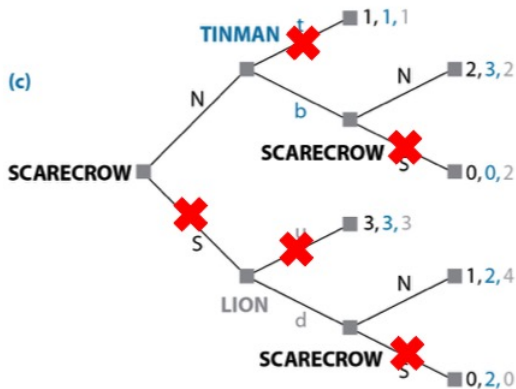
Chapter 2

Chapter 2

Chapter 3

Suppose a school is think about building a new lab or a new theater. The science faculty would like for a new lab to be built. The theater faculty would like for a new theater to be built. The funding for the project is contingent on unanimous support from the faculty. If there is a disagreement, neither project is built, which is each faculty group's worst outcome. The meetings of the two separate faculty groups on which proposal to support occur at 4:00 pm in separate rooms.

Chapter 3

		HUMANITIES FACULTY	
		Lab	Theater
SCIENCE FACULTY	Lab	4, 2	0, 0
	Theater	0, 0	1, 5

Chapter 3

		HUMANITIES FACULTY	
		Lab	Theater
SCIENCE FACULTY	Lab	4, 2	0, 0
	Theater	0, 0	1, 5

Chapter 3

		HUMANITIES FACULTY	
		Lab	Theater
SCIENCE FACULTY	Lab	4, 2	0, 0
	Theater	0, 0	1, 5

Chapter 3

		BOB		
		1	2	3
ALEX	1	10, 10	0, 0	0, 0
	2	0, 0	15, 15	0, 0
	3	0, 0	0, 0	15, 15

Chapter 3

		BOB		
		1	2	3
ALEX	1	10, 10	0, 0	0, 0
	2	0, 0	15, 15	0, 0
	3	0, 0	0, 0	15, 15

Chapter 3

		BOB		
		1	2	3
ALEX	1	10, 10	0, 0	0, 0
	2	0, 0	15, 15	0, 0
	3	0, 0	0, 0	15, 15

Chapter 3

		COLIN		
		Left	Center	Right
ROWENA	Up	1, 2	2, 1	1, 0
	Level	0, 5	1, 2	7, 4
	Down	−1, 1	3, 0	5, 2

Chapter 3

		COLIN		
		Left	Center	Right
	Up	1, 2	2, 1	1, 0
ROWENA	Level	0, 5	1, 2	7, 4
	Down	−1, 1	3, 0	5, 2

Chapter 3

		COLIN		
		Left	Center	Right
ROWENA	Up	1, 2	2, 1	1, 0
	Level	0, 5	1, 2	7, 4
	Down	−1, 1	3, 0	5, 2

Chapter 3

		COLIN		
		Left	Center	Right
ROWENA	Up	1, 2	2, 1	1, 0
	Level	0, 5	1, 2	7, 4
	Down	−1, 1	3, 0	5, 2

Chapter 3

		COLIN		
		Left	Center	Right
ROWENA	Up	1, 2	2, 1	1, 0
	Level	0, 5	1, 2	7, 4
	Down	−1, 1	3, 0	5, 2

Chapter 3

		BOB		
		1	2	3
ALEX	1	10, 10	0, 0	0, 0
	2	0, 0	15, 15	0, 0
	3	0, 0	0, 0	15, 15

Chapter 3

		COLIN		
		Left	Center	Right
ROWENA	Up	1, 2	2, 1	1, 0
	Level	0, 5	1, 2	7, 4
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Chapter 3

		COLIN		
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ROWENA	Up	1, 2	2, 1	1, 0
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