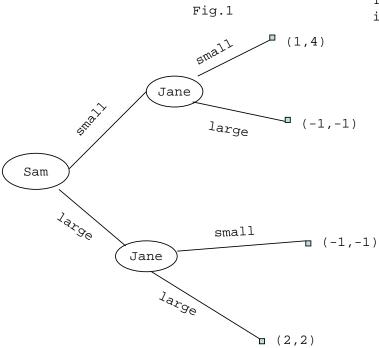
PROBLEM SET THREE -- MBA 5110

- 1) In Table 1, is there a DS \underline{e} in the game? If not, are there any Nash \underline{e} ? If there are more than one Nash \underline{e} , how can the game have a solution?
- 2) In Table 2, is there a DS e? How might they play if the game is repeated?
- 3) Find the mixing probabilities for Carmine (probability = p of choosing *top*) & Miranda (probability = q of choosing *left*) in Table 3.
- 4) Find the sub-game perfect Nash equilibrium in Figure 1. If Jane has a strategy to always choose "small," & Sam knows Jane's strategy, what is the Nash e that would occur, and is it SGP?

Table 1	Betty	Betty	
	Left	Right	
Abe Top	6, 3	3, 2	
Bottom	4, 7	5, 8	

Table 2	<u>Zeke</u>	
	Deny	Confess
Babe Deny	-1,-1	-10, 0
Confess	0,-10	-8,-8

Table 3	Miranda		
		Left	Right
	Тор	100,-100	150,-150
Carmine	Bottom	200,-200	50,-50



The 1st # in parentheses is Sam's payoff.