

For pure strategies

A pair of strategies is in equilibrium

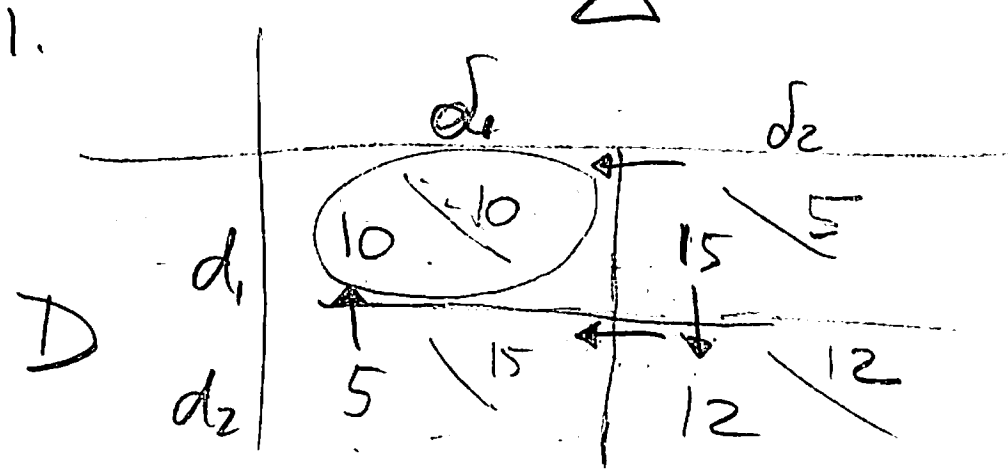
⇔ once chosen, none of the players would reach a better outcome by unilaterally switching to another strategy

Week 7 -

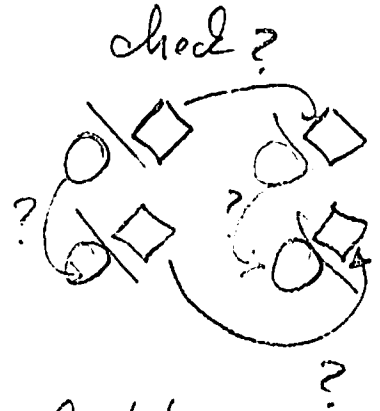
graphical methods:

NO arrows out

Equilibrium examples



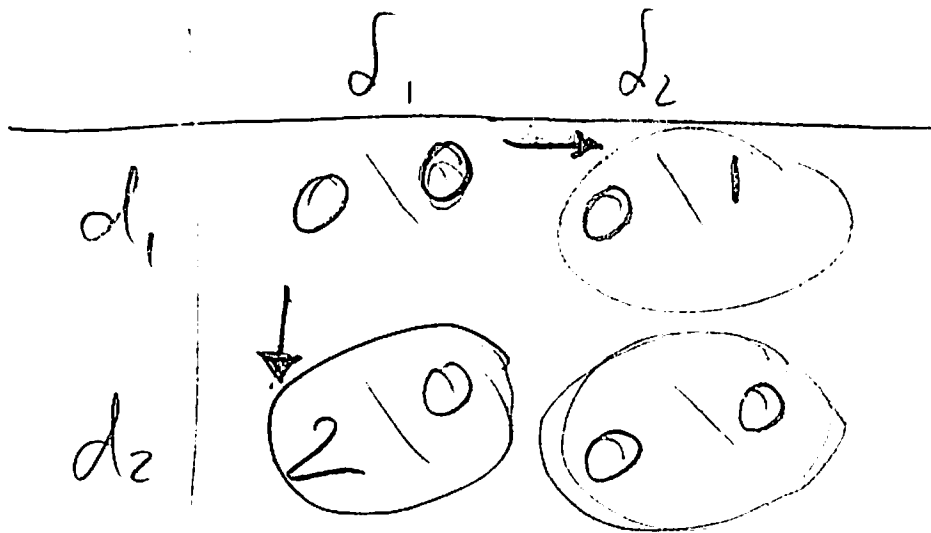
Notation



(d_1, d_1) equilibrium

\neq globally maximal state

2.

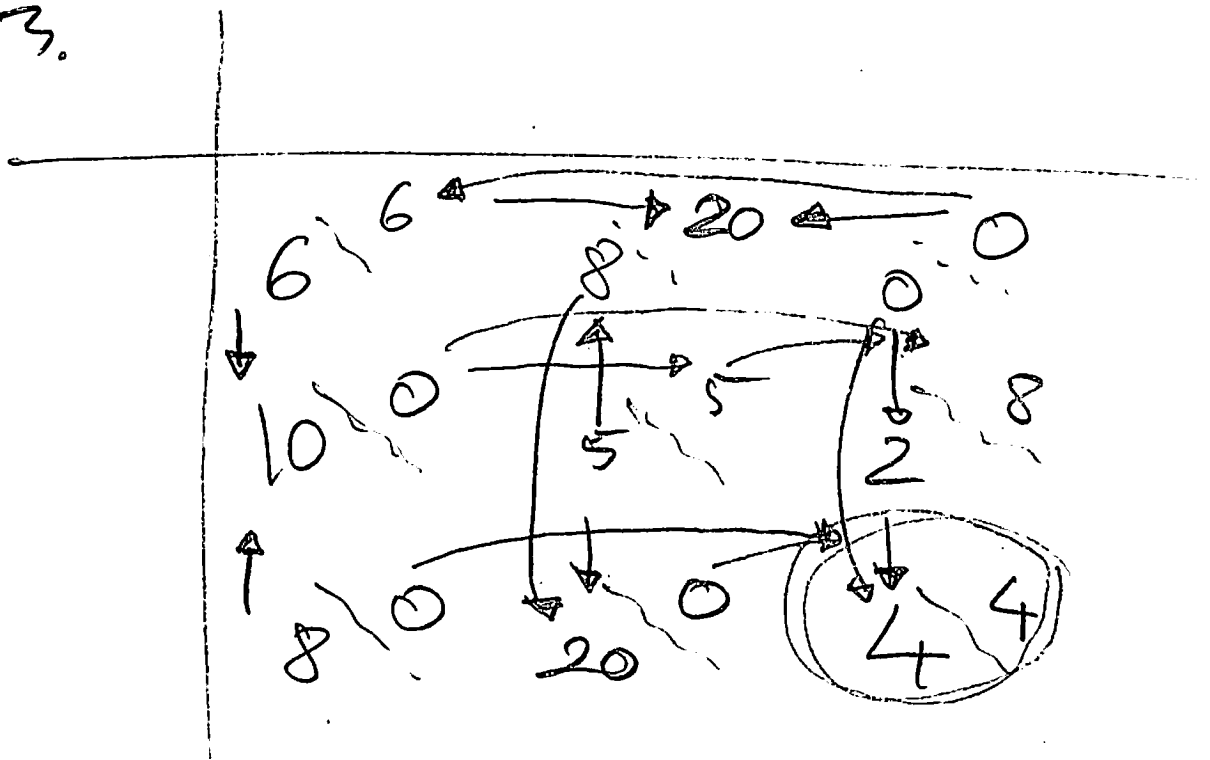


no incentive to leave

(no improvement $0 \leq \rightarrow 0$)

not unique but 3 equilibria

3.

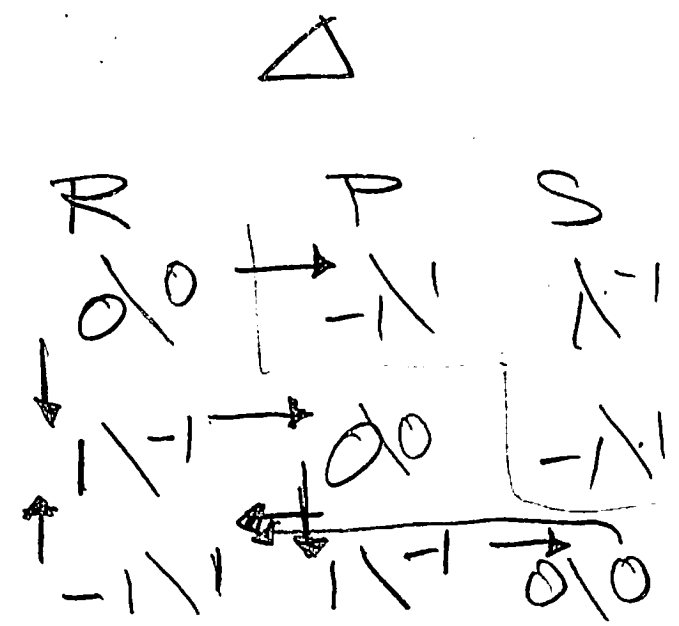


between rows look at left \circ compare vertically
 col " " right \square " horz.

4.

D

R
P
S



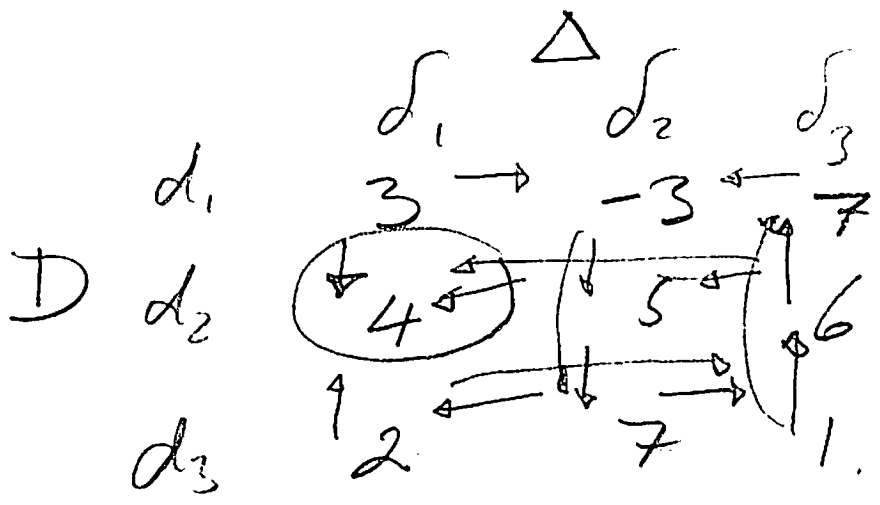
0-Sum

symmetric

no equilibria

if D wants to leave,
 Δ wants to stay
 and vice versa
 (purely competitive)

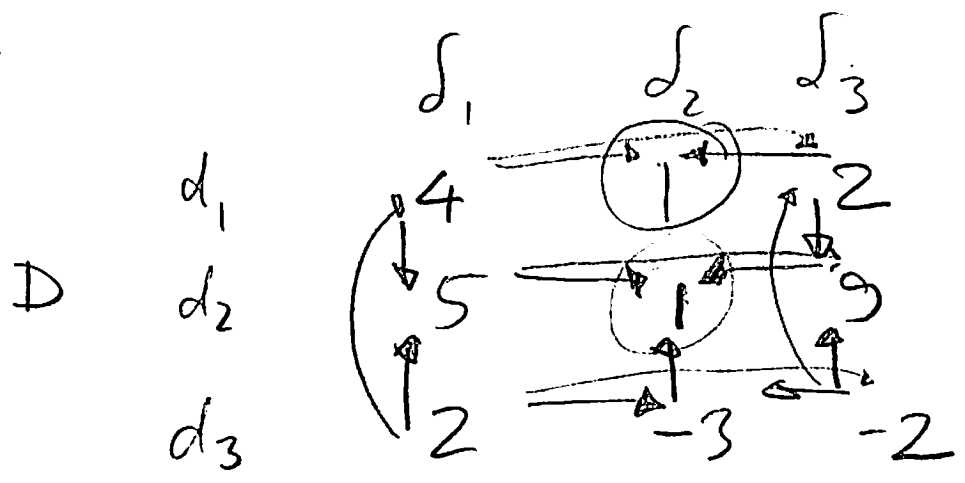
5. 0 Sum with equil.



D wants to max entries
 Δ u u min entries

(d_2, d_1)

6.



(d_1, d_2) and (d_2, d_2)