

Assignment 3: Game theoretic concepts

ENM140, Game theory and rationality 2016

Your task is to, with your own words, describe and explain the following concepts:

- Actions, agents, games and strategies
- Extensive and strategic (normal) form games
- Zero-sum and non-zero-sum games
- Nash equilibrium
- Mixed-strategy equilibrium
- Pareto optimality
- Backward induction and the rationality paradox
- The Folk theorem
- Evolutionarily stable strategies

Your work with the assignment will proceed in three steps:

1. First, submit your answers.
2. We then organize a round of peer review, so that all students give and receive feedback. The peer review is administered through Ping Pong.
3. After the peer review, improve your answers based on the feedback you received (and perhaps additional insights from giving feedback to others). Then submit your improved assignment.

Write your answers in no more than three A4 pages. You may use examples to explain the concepts if you prefer. Please note that your answers must be your own original work, i.e., not merely quotations from other sources.

The assignment will be graded with pass or fail. To pass, we require that 8 out of the 9 concepts are sufficiently explained.

Deadlines

- Submit your draft version no later than Friday 25 November, 18:00.
- Submit feedback to another student no later than Friday 2 December, 18:00.

- Submit your updated version later than Friday 9 December, 18:00.