UNIVERSITY OF CALIFORNIA, BERKELEY

DEPARTMENT OF STATISTICS

STAT-155: Game Theory

<u>Fall 2013</u>

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Assignment # 11

Date Given: November 25, 2013 (Monday) Date Due: December 02, 2013 (Monday)

Total Points: 20

1. Consider a two-person general-sum game $(\mathbf{X}, \mathbf{Y}, (A, B))$. Let the safety values for the two players be v_I and v_{II} . Show that if $(\mathbf{x}^*, \mathbf{y}^*)$ is a Nash equilibrium then

$$\mathbf{x}^{*T} A \mathbf{y}^{*} \ge v_{I}$$
 and $\mathbf{x}^{*T} B \mathbf{y}^{*} \ge v_{II}$.

2. Consider the following two-person general-sum game with the payoff bimatrix

((0, 0)	(1, 2)	(2, 0)	
	(0, 1)	(2, 0)	(0, 1))

- (a) Find the safety values for the two players and a pair of safety strategies.
- (b) Find all the *pure Nash equilibria*.
- (c) Find the *mixed Nash equilibria* using equalizing strategies.