



Recitations 19

[Definitions used today]

- Perfect Equilibrium, perturbation, perturbed game, u-robust utility,

Question 1

Let $I = \{1, 2\}$ and consider the game G defined by

	L	R
T	1,1	0,0
B	0,0	x, y

- Find BR correspondences and write down Nash Equilibria in following cases:
 0. $x, y > 0$
 1. $x < 0 < y$
 2. $x, y < 0$
 3. $x = y = 0$
 4. $x = 0 < y$
- Consider (3) case and find all perfect equilibrium sets. Hint: $(1, 0), (1, 0)$ is PE and $(0, 1), (0, 1)$ is not. Show it!

Question 2

Show that if $s \in S$ is a PE, then it is also a NE.

Question 3

Prove that if $s \in S$ is a fully mixed NE, then it is also a PE.