Chapter 6: Games

- 6.0–6.3: Necessary to read in order to understand later material.
- Outcome depends on both own decisions and the decisions of others.
- Classic Example: Prisoners’ dilemma.
- Rationality
- Best response, strict best response.
- Dominant strategy, strictly dominant strategy.
Nash Equilibria, Pareto-Optimality and Social Optimality

- 6.4 Nash Equilibrium
- 6.5 Multiple Equilibria
- 6.8 Mixed Strategies: Examples and Empirical Analysis
- Pareto-Optimality and Social Optimality
- Social optimality maximises the sum of players’ payoffs.
Chapter 7: Evolutionary Game Theory

- 7.2 Evolutionarily Stable Strategies
- 7.4 Relationship Between Evolutionary and Nash Equilibria
Exercises

- 6.4, 6.7, 6.15, 7.4