

Group E GHC Task to be presented We., Feb. 28, 2024

Centering on Game Theory

a) What is a Nash Equilibrium?

b) What is the Nash Equilibrium for the following parallel game, whose payoff matrix is depicted below? Player 1 has actions A, B, and C whereas Player 2 has actions D, E and F.

|  |  |  |  |
| --- | --- | --- | --- |
|  | D | E | F |
| A | 5,2 | 3,5 | 1,4 |
| B | 9,2 | 4,4 | 3,6 |
| C | 1,7 | 5,5 | 7,1 |

c) Demonstrate that the computed Nash Equilibrium[[1]](#footnote-1) has the “expected characteristics”!

1. If there is more than 1 analyze the expected characteristics for each one. [↑](#footnote-ref-1)