

Quiz #5 (Answer Key)
ECNS 491
Spring 2018

Name _____

1. a.) (3 points) True or False (circle one). A cooperative equilibrium is the strategy combination that maximizes the joint return added over all players.

TRUE

b.) (3 points) True or False (circle one). There can only be one Nash equilibrium in pure strategies in a game.

FALSE

c.) (3 points) True or False (circle one). The existence of a dominant strategy equilibrium implies there is a Nash equilibrium in pure strategies.

TRUE

2.) Consider the following game where Player 1 chooses rows and Player 2 chooses columns. The value on the left in each cell represents the payoff to Player 1 and the value on the right represents the payoff to Player 2.

		Player 2		
		Strategy A	Strategy B	Strategy C
Player 1	Strategy A	10, 11	12, 10	9, 10
	Strategy B	13, 20	20, 10	7, 8
	Strategy C	15, 14	11, 15	8, 9

a.) (3 points) What is the cooperative equilibrium?

The cooperative equilibrium is Player 1 chooses Strategy B and Player 2 chooses Strategy A.

b.) (3 points) Is there a Nash equilibrium? If so, what is the Nash?

No, there is not a Nash equilibrium in this game.