Logistics

• Submitting responses to readings
  – Prefer non-summary ones
  – Show me you’ve thought about the readings
Logistics

• Submitting responses to readings
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• Changed readings
Logistics

- Submitting responses to readings
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- Changed readings

- Presentation dates: pick a topic and a date
Logistics

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  - Prefer non-summary ones
  - Show me you’ve **thought** about the readings

- Changed readings

- Presentation dates: pick a topic and a date

- Any questions?
Rational choice theory

- Section 1.2.4: people are not always rational.
Rational choice theory

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- Can this be explained away by arguing that with humans, the payoff function is not fixed once and for all?
Rational choice theory

- Section 1.2.4: people are not always rational.

- Can this be explained away by arguing that with humans, the payoff function is not fixed once and for all?

- No! (Kahneman and Tversky)
### Mixed strategy equilibrium

<table>
<thead>
<tr>
<th>Player 1</th>
<th>Player 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Action 1</strong></td>
<td><strong>Action 1</strong></td>
</tr>
<tr>
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</tr>
<tr>
<td>Action 2</td>
<td>6,2</td>
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</tbody>
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Bayes Nash Equilibrium

- Allows for uncertainty about opponent strategy
Bayes Nash Equilibrium

- Allows for uncertainty about opponent strategy
- Is it ever helpful for a player to know how certain he is about an opponent's expected actions?
Bayes Nash Equilibrium

- Allows for uncertainty about opponent strategy

- Is it ever helpful for a player to know how certain he is about an opponent’s expected actions?

- How is this expectation of opponents actions different when the player is allowed repeated game sessions with the same opponent versus anonymous matchups?
Axelrod’s tournament

- Iterated prisoner’s dilemma with identity
Axelrod’s tournament

- Iterated prisoner’s dilemma with identity
- What if you play infinitely?
Axelrod’s tournament

• Iterated prisoner’s dilemma with identity

• What if you play infinitely?

• What if you play for a known finite amount of time?
Axelrod’s tournament

- Iterated prisoner’s dilemma with identity
- What if you play infinitely?
- What if you play for a known finite amount of time?
- Some strategies:
  - hawk (always Fink)
  - Grim trigger (cooperate until the other defects)
  - tit-for-tat
  - Joss (tit-for-tat with periodic defection)
Focal points

- We need to meet in Paris on a particular day.
Focal points

• We need to meet in Paris on a particular day.

• When and where?
Focal points

• We need to meet in Paris on a particular day.

• When and where?

• What are the Nash Equilibria?