Microeconomic Theory II.
Spring, 2006.
Problem Set I.

Due: Tuesday, Feb 14.


Also: do the following:

1. Find a mixed strategy equilibrium for the following game:

\[
\begin{array}{cc}
    & L & R \\
T & 2, 1 & 0, 2 \\
B & 1, 2 & 3, 0 \\
\end{array}
\]

2. Consider a normal form game with finite strategy sets. Consider any strategy which is played with strictly positive probability in a mixed strategy NE of this game. First, show that such a strategy cannot be strictly dominated. Next, argue why such a strategy must survive iterated elimination of strictly dominated strategies.