Test
Advanced Microeconomics: Part II (Uwe Jirjahn)

Winter 2024/2025

Choose **two** questions out of the three questions Q1, Q2 and Q 3.

Q.1 Consider the following normal-form game:

Player 1 \ Player 2	A	B
C	8, 4	0, 0
D	0, 0	4, 8

Q.1.a Identify the pure-strategy Nash equilibria.
Q.1.b Identify the mixed-strategy Nash equilibria and calculate each player's expected equilibrium payoff.

Q.2 Consider the following normal-form game:

Player 1 \ Player 2	K	L
A	4, -4	-4, 4
B	-4, 4	4, -4

Q.2.a Find the pure-strategy Nash equilibria.
Q.2.b Find the mixed-strategy Nash equilibria and calculate each player's expected equilibrium payoff.

Q.3 Consider the following normal-form game:

Player 1 \ Player 2	a	b	c	d	e	f	g	h
T	1, 1	1, 1	1, 1	1, 1	3, 2	3, 2	3, 2	3, 2
M	4, 1	4, 1	2, 3	2, 3	2, 3	2, 3	4, 1	4, 1
B	5, 2	1, 1	5, 2	1, 1	5, 2	1, 1	5, 2	1, 1

Find the pure-strategy Nash equilibria by iterated elimination of dominated strategies.

Note: If you answer all questions, we will only consider Q.1 and Q.2.