

Exercises for L1 and L2:

1.1. What is a game in normal form? What is a strictly dominated strategy in a normal-form game? What is a pure-strategy Nash equilibrium in a normal-form game?

1.2. In the following normal-form game, what strategies survive iterated elimination of strictly dominated strategies? What are the pure-strategy Nash equilibria?

	L	C	R
T	2,0	1,1	4,2
M	3,4	1,2	2,3
B	1,3	0,2	3,0

1.3. Players 1 and 2 are bargaining over how to split one dollar. Both players simultaneously name shares they would like to have, s_1 and s_2 , where $0 \leq s_1, s_2 \leq 1$. If $s_1 + s_2 \leq 1$, then the players receive the shares they named; if $s_1 + s_2 > 1$, then both players receive zero. What are the pure-strategy Nash equilibria of this game?