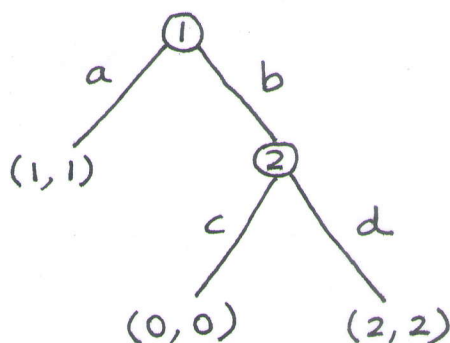


Due in class on Thursday, October 20, 2022

#1. Characterize the unique subgame-perfect equilibrium in the following extensive form game. Also, find one Nash equilibrium that is not subgame perfect in this game.



#2. Consider the following simultaneous-move stage game.

	C	D
A	5, 5	0, 6
B	7, 0	1, 2

(a) Suppose that this stage game is played for a finite  $N$  times. Characterize the subgame-perfect equilibrium in this dynamic game.

(b) Now suppose that this stage game is played for infinitely many times. Characterize the conditions on  $\delta$  under which the outcome  $(A, C)$  every period can be sustained in a subgame-perfect equilibrium using the trigger strategy.