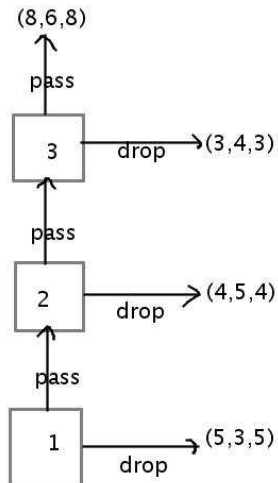


Economics 201 Midterm Exam February 2, 2006

You have two hours. Do both questions. Good Luck.

1. Consider the extensive form game given below



- Find all subgame perfect equilibria.
- Find the normal form (player 1 picks the matrix, player 2 the row, player 3 the column).
- Apply iterated strict dominance.
- Find all Nash equilibria, including mixed equilibria.
- Find a self-confirming equilibrium with an equilibrium path that cannot be obtained as a public randomization over Nash equilibria.

2. Consider the normal form game

0,0	2,1
1,2	0,0

- Find all Nash equilibria.
- Which Nash equilibria are trembling hand perfect?
- Is there a correlated equilibrium that gives strictly less utility than any public randomization over Nash equilibrium?