

ECO 199 – GAMES OF STRATEGY  
Spring Term 2004  
PROBLEM SET 4 – DUE THURSDAY APRIL 29

Question 1: 30 points

*Games of Strategy*, Chapter 11, Exercise 11, pp. 377-8. If you need a tie-breaking rule, choose one and follow it consistently.

Question 2: 20 points

*Games of Strategy*, Chapter 12, Exercise 4, pp. 421.

Question 3: 25 points

*Games of Strategy*, Chapter 12, Exercise 6, pp. 422. In part (c), use calculus for the maximization if you can; else evaluate or graph the total benefit numerically using a calculator or Excel. If you do numerical evaluations, do them for ten equal-spaced values of  $x$  between 0 and 1, and then for a few more values in a smaller range where the total benefit seems high, to get closer to the answer. If you use a graphical method, print and include your graph with your answer sheets. Whichever way you use, try to find the answer to two decimal places.

Question 4: 25 points

*Games of Strategy*, Chapter 13, Exercise 3, pp. 464.