

$$v^- = \text{Max Min } X A Y^T$$

X is player 1's mixed strategy

$$v^+ = \text{Min Max } X A Y^T$$

Y " " 2's " "

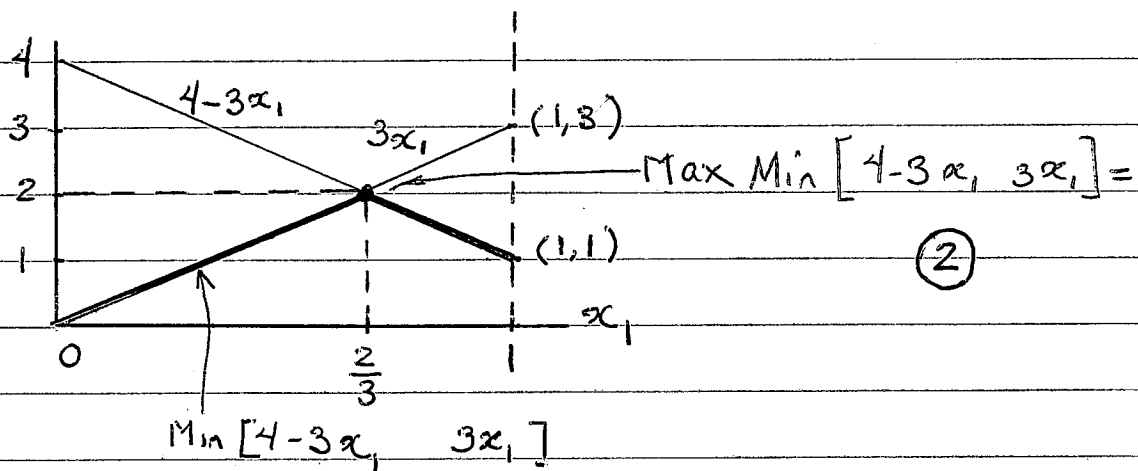
E.g. $A = \begin{bmatrix} 1 & 3 \\ 4 & 0 \end{bmatrix}$

$$v^- = \underset{M}{\overset{M}{\text{Max}}} [x_1 \ x_2] \begin{bmatrix} 1 & 3 \\ 4 & 0 \end{bmatrix} Y^T$$

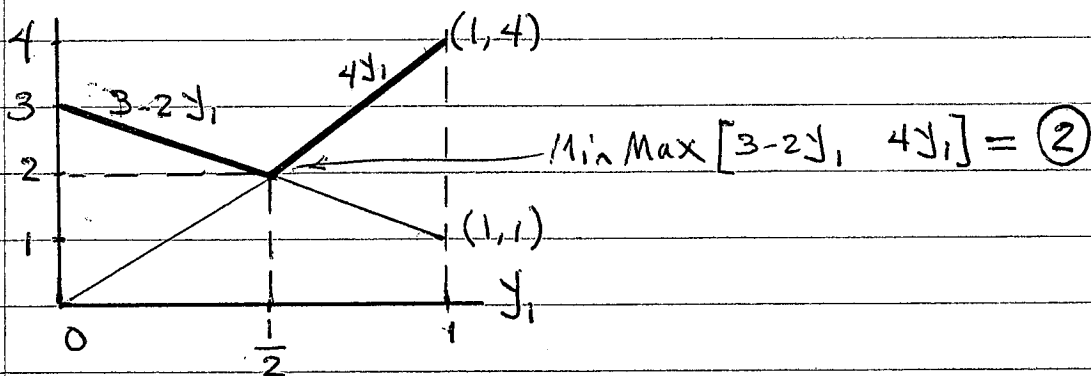
$$= \underset{M}{\overset{M}{\text{Max}}} [x_1 + 4x_2 \quad 3x_1] Y^T \quad \text{note } x_2 = 1 - x_1$$

$$= \underset{M}{\overset{M}{\text{Max}}} [x_1 + 4(1 - x_1) \quad 3x_1] Y^T$$

$$= \underset{M}{\overset{M}{\text{Max}}} [4 - 3x_1 \quad 3x_1] Y^T$$



$$v^+ = \underset{M}{\overset{M}{\text{Min}}} [3 - 2y_1 \quad 4y_1]$$



Non Zero-Sum games

GT

E.g. 1

	t_1	t_2
s_1	0, 0	12, -12
s_2	-12, 12	(6, 6)

non zero sum payoff

E.g. 2

	t_1	t_2
s_1	0, 0	1, 1
s_2	1, 1	0, 0

We permit pregame communication or repeated plays
This will produce cooperation and choice of 1, 1 payoff

E.g. 3

	t_1	t_2
s_1	10, 1	2, 2
s_2	2, 2	1, 10

I prefers 10, 1 so chooses s_1
II " 1, 10 " " t_2 } \Rightarrow (2, 2) is this payoff

players could understand the conflict over repeated play & alternate to get $10 + 1 = 11$ units ~~but~~

However, each has an incentive to deviate for a better payoff
This game is incoercible.

E.g. 4

	t_1	t_2
s_1	1, 10	10, 1
s_2	0, -10	10, -9

z's choice

I's choice

I hates s_2 , I can demand II to play t_2 with threat of s_2 .

Transferable Utility -- players could negotiate side

GT

Payments.

		t_1	t_2
E.g. 5	s_1	50,0	1,5
	s_2	1,0	1,5

Without side payments, Π will choose t_2 .

With " " , I can share 50 with Π , so Π will choose t_1 .

		t_1	t_2
E.g. 6	s_1	10,1	0,0
	s_2	0,0	1,10

If I & Π coordinate (pre game negotiate) mixed strategies $\frac{1}{2}$ for each strategy, $EU = (5.5, 5.5)$

without cooperation (i.e. pre game strategizing),

if $X = Y = [\frac{1}{2} \ \frac{1}{2}]$ independently,

$$\left(\underset{\substack{\uparrow \\ \text{I's game} \\ \text{matrix}}}{X} A \underset{\substack{\uparrow \\ \text{II's game} \\ \text{matrix}}}{Y}^T, X B Y^T \right) = \left(\frac{11}{4}, \frac{11}{4} \right)$$

2.75 2.75