

TEKSOLO MAS

Lecture 2: Agents, com & coop

Exercise: Decision theory

Question 1

- a) Is this a decision-making problem or a problem of strategic interaction? Explain the variables used. What are the requirements for maximizing expected utility?

This is a decision-making problem since:

- 1) Optimization does not take other agents action into account
- 2) Environment is static
- 3) One shot/round

Definition of expected utility

$$\hat{u}(A_g, Env) = \sum_{r \in R(A_g, Env)} u(r) P(r | A_g, Env)$$

where $\sum P(\ast) = 1$ makes it a proper density function

We must decide stakeholders, agents A_{g1} and A_{g2} , and their corresponding available states e , with outcomes u and probabilities p of ending up in u from different runs r .

$Env = \langle E, e_0, \mathcal{P} \rangle$ is the environment

where $E = \{e_0, e_1, \dots, e_b\}$ is the set of possible states,
 e_0 is the initial state

$P(e_0 \xrightarrow{\alpha_0}) = \{e_1, e_2, e_3\}$ is state transform function for action α_0 .

$P(e_0 \xrightarrow{\alpha_1}) = \{e_4, e_5, e_6\}$ is state transform function for action α_1 .

So, we have two agents;
 Ag_1 uses action α_0 and
 Ag_2 uses action α_1 .

By example, we have probability of ending up in another state

$$P(e_0 \xrightarrow{\alpha_0} e_1 | Ag_1, Env) = 0.3$$

The corresponding utility of ending up in that state is, by example

$$u(e_0 \xrightarrow{\alpha_0} e_1) = 4$$

lets calculate if $\sum p(x) = 1$

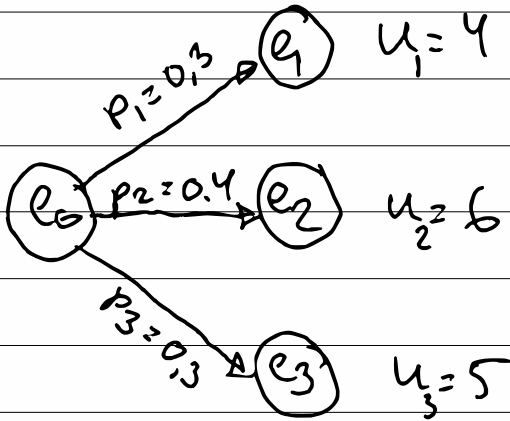
$$\left. \begin{aligned} p(e_0 \xrightarrow{\alpha_0} e_1 | A_{S_1}, Env) &= 0,3 \\ p(e_0 \xrightarrow{\alpha_0} e_2 | A_{S_1}, Env) &= 0,4 \\ p(e_0 \xrightarrow{\alpha_0} e_3 | A_{S_1}, Env) &= 0,3 \end{aligned} \right\} = 1$$

$$\left. \begin{aligned} p(e_0 \xrightarrow{\alpha_1} e_4 | A_{S_2}, Env) &= 0,8 \\ p(e_0 \xrightarrow{\alpha_1} e_5 | A_{S_2}, Env) &= 0,1 \\ p(e_0 \xrightarrow{\alpha_1} e_6 | A_{S_3}, Env) &= 0,1 \end{aligned} \right\} = 1$$

b) Given these definitions, determine the expected utility of agent A_{S_1} and A_{S_2} with respect to Env and u , and explain which agent is optimal with respect to Env and u .

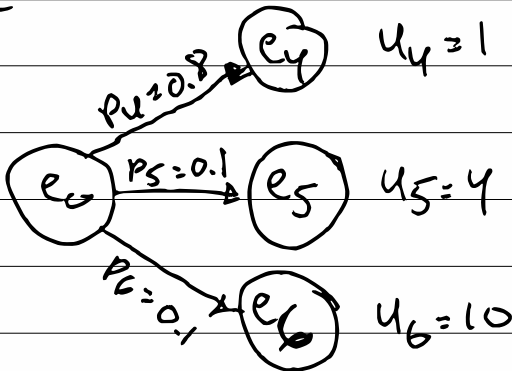
We need to calculate the expected utility of both agents using their actions.

A₅₁:



$$\begin{aligned} \hat{u}_{A_{51}} &= E(u) = p_1 u_1 + p_2 u_2 + p_3 u_3 \\ &= 0.3 \cdot 4 + 0.4 \cdot 6 + 0.3 \cdot 5 = \underline{\underline{5.1}} \end{aligned}$$

A₅₂:



$$\begin{aligned} \hat{u}_{A_{52}} &= E(u) = p_4 \cdot u_4 + p_5 \cdot u_5 + p_6 \cdot u_6 \\ &= 0.8 \cdot 1 + 0.1 \cdot 4 + 0.1 \cdot 10 = \underline{\underline{2.2}} \end{aligned}$$

$\Rightarrow A_1$, using action a_1 is optimal in this environment

$$\hat{u}(A_1, Env) > \hat{u}(A_2, Env)$$