

## **Textbook:**

**Watson**, *Strategy: an introduction to game theory (2nd edition)*

— Representations and basic assumptions. Chapters 1 - 5

— Analyzing behavior in static settings. Chapters 6, 7, 9, 11

— Analyzing behavior in dynamic settings. Chapters 14, 15, 18, 19, 22

— Information. Chapters 24, 26, 28

Selected applications in chapters 8, 10, 16, 21, 23, 27 will also be considered.

Note that the chapters in Watson are short, from 5 to 10 pages.

## **Reading instructions for lectures in game theory:**

**1** Introduction to game theory, Representing games

Monday 15 Oct 1415-1600, ES132 Aud 7.

**Watson: Chapters 1-7.**

**2** Static games, Nash equilibrium

Monday 22 Oct 1415-1600, ES132 Aud 7.

**Watson: Chapters 9, 11.**

**3** Dynamic games, Backward induction, Subgame perfection:

Monday 29 Oct 1415-1600, ES132 Aud 7.

**Watson: Chapters 14, 15.**

**4** Application of dynamic games

Monday 5 Nov 1415-1600, ES132 Aud 7.

**Watson: Chapters 18, 19, 22.**

**5** Incomplete information in static games:

Monday 12 Nov 1415-1600, ES132 Aud 7.

**Watson: Chapters 24, 26 + section on "Auctions" in chapter 27.**

**6** Incomplete information in dynamic games, Perfect Bayesian Equilibrium

Monday 19 Nov 1415-1600, ES132 Aud 7.

**Watson: Chapter 28.**