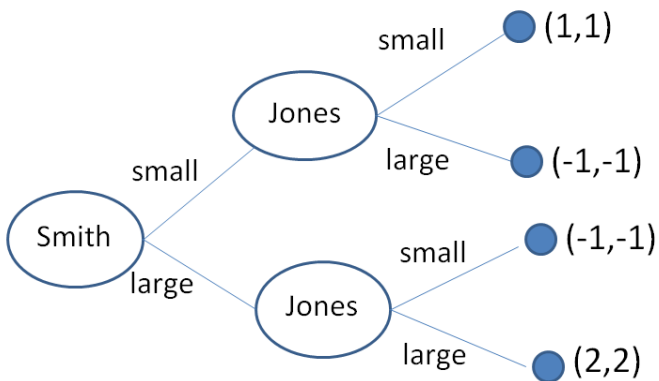


## EE481 Industrial Economics (In-class Exercise I)

### 1. A sequential game



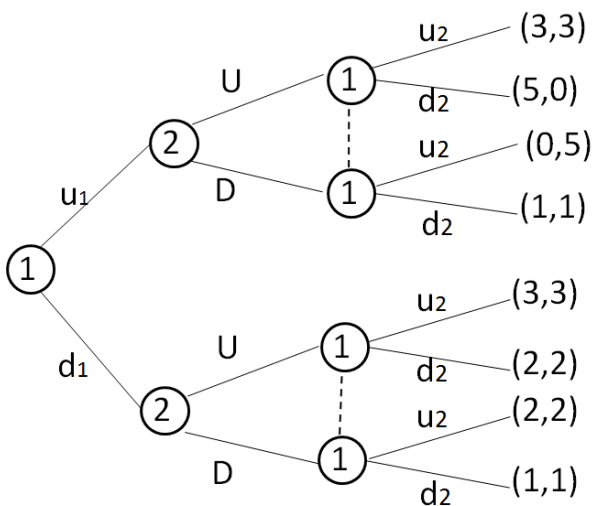
1.1 In this game, who moves first? \_\_\_\_\_

1.2 How many periods are there in this game? \_\_\_\_\_

1.3 How many subgames are there in this game? \_\_\_\_\_

1.3 What is the Subgame Perfect Nash Equilibrium (SPNE)? \_\_\_\_\_

### 2. An imperfect information game



2.1 How many subgames are there in this game? \_\_\_\_\_

2.2 How many periods are there in this game? \_\_\_\_\_

2.3 Find SPNE \_\_\_\_\_

2.4 What is the payoff for each player? \_\_\_\_\_

3. Assuming that MC is constant. Show that consumers gain as cartel fails.