STAT/ECON 474 Game Theory
Midterm 2 Study Guide

• The second midterm is on Thursday April 7

• The exam will cover Chapters 11, 13, 14, 15 and 20.

• You will have the full 75 minutes for the exam, but I expect most will finish in an hour or less.

• There is a week-by-week syllabus on the webpage:
  http://www.math.uic.edu/~marker/stat473-S16/wtw.html

• There are several concepts that were introduced in class that were not covered in the book, these could occur on a midterm. These include: Pareto optimal strategy profiles, the general Folk Theorem for infinitely repeated games and Rubenstein’s Bargaining Model.

• Most of the exam problems will be similar to the problem sets and practice problems, but there will also be several short answer questions like the ones on earlier exams.

Sample Short Answer Questions:

1) Define a subgame perfect equilibrium.

2) Decide if the following are TRUE or FALSE. If FALSE give an example showing it is false.
   a) Every Pareto optimal strategy profile is a Nash equilibrium.
   b) If a game G is repeated finitely many times, then in any subgame perfect equilibrium we must play a Nash equilibrium in each stage of the game.