Stat/Econ 473 Game Theory
Problem Set 5

Due: Tuesday February 19

From the Text: Do problems from Chapter 6: 10, 11 Chapter 7: 3, 5

1) Consider a version of the Cournot Duopoly where Firms 1 and 2 have different cost functions. Assume that we have inverse demand function $p = 1000 - Q$, the cost function for Firm 1 is $c_1(q_1) = 2q_1$ and $c_2(q_2) = 3q_2$.
   Find the Cournot Nash equilibrium.