

Q2. Nash equilibrium

a) Define Nash equilibrium

b) What is (or are) the Nash Equilibrium(s), if any, in the games defined below.

For instance, in Game 1, in option **M/S** Player A gets 0 and Player B gets 2 (where more is better)

Game 1.

		Player B	
		Option R	Option S
Player A	Option M	3 ; 3	0 ; 2
	Option N	2 ; 0	1 ; 1

Nash equilibrium(s) = _____ (draw — if there is no Nash equilibrium)

Game 2.

		Player B	
		Option R	Option S
Player A	Option M	3 ; 1	0 ; 2
	Option N	2 ; 2	1 ; 1

Nash equilibrium(s) = _____ (draw — if there is no Nash equilibrium)

