What the course covers:

*Strategic situations:* involving two or more participants, each trying to influence, to outguess, or to adapt to the decisions or lines of behaviour that others have just adopted or are expected to adopt (Tom Schelling).

STRATEGIC GAME THEORY


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expected to adopt (Tom Schelling).

Look forward and reason backwards!
The flat tyre and myopia ...

Two college students, very confident about their mid-term exam performance in a subject, decided to attend a party the weekend before the final exam. The party was so good that they overslept the whole Sunday.
The flat tyre and myopia ...

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Which tyre?
And the applications ...

– a procurement manager trying to induce a subcontractor to search for cost-reducing innovations
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- a procurement manager trying to induce a subcontractor to search for cost-reducing innovations
- an entrepreneur negotiating a royalty arrangement with a manufacturing firm to license the use of a new technology
And the applications ...

— a *procurement manager* trying to induce a subcontractor to search for cost-reducing innovations
— an *entrepreneur* negotiating a royalty arrangement with a manufacturing firm to license the use of a new technology
— designing a *managerial incentive system*
And the applications ...

- a procurement manager trying to induce a subcontractor to search for cost-reducing innovations
- an entrepreneur negotiating a royalty arrangement with a manufacturing firm to license the use of a new technology
- designing a managerial incentive system
- how high to bid in an auction
And the applications ...

- a procurement manager trying to induce a subcontractor to search for cost-reducing innovations
- an entrepreneur negotiating a royalty arrangement with a manufacturing firm to license the use of a new technology
- designing a managerial incentive system
- how high to bid in an auction
- a negotiation between a multinational and a foreign government over the setting up of a manufacturing plant

That is, we examine both Strategizing and Economizing, using game theory.
How do you learn?

- lectures,
- the text and readings
- in-class (experiential) exercises
- on-line exercises
- take-home assignments
- a team term project — applying the classes
Assessment

- Three weekly individual assignments.
- An in-class midterm exam.
- A term project, applying the classes to business, or politics, or war, or movies, or novels, or ... Your choice, in consultation with me, and possibly in teams, with a class presentation.

For more, talk to me, Bob Marks, or see:


and read the handout, Thinking Strategically.

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