Comments on the Final Exam (Advanced Micro II, Spring 2008)

Statistics

- Mean score: 40.6
- Highest score: 58
- Lowest score: 17
- Standard deviation: 11.75

Comments

- In question 3, you can mention either 1) low discount factor or 2) finitely repeated games.
- Question 4 does NOT require any first order conditions. The only property you should use is that, in mixed strategy Nash equilibrium, each pure strategy generates the same expected utility. Since “Do not enter” always results in 0 payoff, “Enter” must result in 0 expected payoff too.
- In 5 (b), you are asked to show $b_i = v_i$ is ALWAYS better than $b_i = 0.5v_i$. Therefore, you should prove this claim WITHOUT assuming that the opponent takes her Nash equilibrium strategy, i.e., $b_j = v_j$. 