

Title: Dynamical Systems - Review (PHYS 607) - Lecture 13

Date: Jan 20, 2010 09:00 AM

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Abstract:

# Mixed strategy Nash equilibrium

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Matching pennies  $\begin{pmatrix} (1, -1) & (-1, 1) \\ (-1, 1) & (1, 1) \end{pmatrix}$

$x_1$

$u_1$

# Mixed strategy Nash equilibrium

Matching  $\begin{matrix} H & T \\ H & (1, -1) & (-1, 1) \\ T & (-1, 1) & (-1, 1) \end{matrix}$   
pennies

$x_1 = \text{prob that player 1 plays } H$   
 $x_2 = \text{prob " " 2 " } T$

$u_1$

# Mixed strategy Nash equilibrium

Matching pennies

	H	T
H	(1, -1)	(-1, 1)
T	(-1, 1)	(1, 1)

$x_1$  = prob that player 1 plays H

$x_2$  = prob " " 2 " T

$$u_1(x_1, x_2) = 4x_1x_2 - 2x_1 - 2x_2 + 1$$

$$u_2(x_1, x_2) = -4x_1x_2 + 2x_1 + 2x_2 - 1$$

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$$\frac{\partial u_1}{\partial x_1} = 0 \rightarrow 4x_2 - 2 = 0$$

$$\frac{\partial u_2}{\partial x_2} = 0 \Rightarrow -4x_1 + 2 = 0$$

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then  $s_i$  played against  $\sigma_{-i}^*$   
has same payoff as

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player 1:      H      T

$$\begin{aligned} \text{payoff for heads} &= X_2 - (1 - X_2) \\ \text{payoff for tails} &= -X_2 + (1 - X_2) \end{aligned}$$

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$$\begin{aligned} 2X_2 - 1 &= 1 - 2X_2 \\ 4X_2 &= 2 \\ X_2 &= 1 \end{aligned}$$

If you have  $s, s'$  represented in the Nash eq  $\sigma^*$

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has same payoff as

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player 1:      H      T

$$\text{payoff for heads} = x_2 - (1 - x_2)$$

$$\text{payoff for tails} = -x_2 + (1 - x_2)$$

$$2x_2 - 1 = 1 - 2x_2$$

$$4x_2 = 2$$

$$x_2 = 1/2$$

# Mixed strategy Nash equilibrium

Matching pennies

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$$u_1(x_1, x_2) = 4x_1x_2 - 2x_1 - 2x_2 + 1$$

$$u_2(x_1, x_2) = -4x_1x_2 + 2x_1 + 2x_2 - 1$$

$$\frac{\partial u_1}{\partial x_1} = 0 \rightarrow 4x_2 - 2 = 0$$

$$\frac{\partial u_2}{\partial x_2} = 0 \Rightarrow -4x_1 + 2 = 0$$

$$\begin{pmatrix} a_1 & 0 \\ 0 & a_2 \end{pmatrix}$$

Equilibrium

player 1 plays H  
" 2 " T

$$X_2 + 1$$

$$2X_2 - 1$$

$$a_1 > a_2$$

	H	T
H	$a_1$	0
T	0	$a_2$

If you have  $\sigma_1, \sigma_2$  represented

then  $\sigma_1$  played against  $\sigma_2^*$   
has same payoff as

$\sigma_1^*$  played against

player 1:      H      T

$$\text{payoff for heads} = X_2$$

$$\text{payoff for tails} = -X_2$$

# Evolutionary Game Theory

Maynard Smith

(1, 2)

prob

that plays

2

$x_1, x_2, \dots, x_n$

$x_1, x_2, \dots, x_n$

$x_1, x_2, \dots, x_n$

$x_1, x_2, \dots, x_n$

$x_1, x_2, \dots, x_n$



# Evolutionary Game Theory

Maynard Smith

## Evolutionary Stability

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Stronger condition than  
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2-person game

fitness  $u_i[s]$

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fitness of  $j$ th  $u_j[\vec{s}]$

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Maynard Smith

## Evolutionary Stability

Stronger condition than  
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2-person game

fitness of  $j$ th  $u_j[\vec{s}]$

$\vec{s}$  is evolutionarily stable if

$$u_j[s, \epsilon t + (1-\epsilon)s] > u_j[t, \epsilon t + (1-\epsilon)s]$$

# Evolutionary Game Theory

Maynard Smith

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Stronger condition than  
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Maynard Smith

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this is equivalent to: present value of the Nash eq

$u_1$   
then

Expected payoff

$S_2$  (not a)

pay off

if heads  
if tails

$$= x_2 - (-x_2)$$

$$= -x_2 + (-x_2)$$

$$2x_2 = 1$$

$$x_2 = 1/2$$

S]

this is equivalent to: present value the Nash eq

$$\begin{cases} u_1(t, s) \leq u_1(s, s) \\ u_1(t, s) = u_1(s, s) \Rightarrow u_1(t, t) < u_1(s, s) \end{cases}$$

payoff for heads =  $x_2 - (-x_2)$   
payoff for tails =  $-x_2 + (-x_2)$   
 $x_2 = 2$   
 $x_2 = 1$

This is equivalent to: present form the Nash eq

$$\begin{cases} u_1(t, s) \leq u_1(s, s) \\ u_1(t, s) = u_1(s, s) \Rightarrow u_1(t, t) < u_1(s, s) \end{cases}$$

Finding evolutionarily stable strategy for hawk-dove

	Fight	Yield
Fight	(-1, -1)	(4, 0)
Yield	(0, 4)	(2, 2)

This is equivalent to: present down the Nash eq

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Strategy 1: Fight  
2: Yield

vs 2 player 1 gets  $v/2$   
2 gets 0

This is equivalent to: present day the Nash eq

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Strategy 2: Yield

vs 2 player 1 gets  $\frac{V}{2}$   
player 2 gets 0

vs 1  $\frac{V}{2} - \frac{C}{2}$

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Finding evolutionarily stable strategy for hawk-dove

	Fight	Yield
Fight	$(-1, -1)$	$(\frac{4}{3}, 0)$
Yield	$(0, \frac{4}{3})$	$(2, 2)$

Strategy 1: Fight  
Strategy 2: Yield

1 vs 2 player 1 gets  $\frac{v}{2}$   
player 2 gets 0

1 vs 1  $\frac{v}{2} - \frac{c}{2}$

2 vs 2  $\frac{v}{2}$

this is equivalent to: present down the Nash eq

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Fight	$(-1, -1)$	$(\frac{4}{3}, 0)$
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Strategy 1: Fight  
2: Y

1 vs 2 player 1 = 2

1 vs 1  $\frac{v}{2} - c$

2 vs 2  $\frac{v}{2}$



This is equivalent to: present down the Nash eq

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Finding evolutionarily stable strategy for hawk-dove

	Fight	Yield
Fight	$(-1, -1)$	$(\frac{4}{3}, 0)$
Yield	$(0, 4)$	$(2, 2)$

Strategy 1: Fight  
Strategy 2: Yield

1 vs 2 player 1 gets  $\frac{5}{3}$   
2 gets 0

1 vs 1  $\frac{5}{2} - \frac{c}{2}$

2 vs 2  $\frac{5}{2}$

this is equivalent to: present down the Nash eq

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Finding evolutionarily stable strategy for

h dove

	Fight	Yield
Fight	$(-1, -1)$	$(4, 0)$
Yield	$(0, 4)$	$(2, 2)$

Strategy 1: Fight  
Strategy 2: Yield

1 vs 2 player 1 gets  $\frac{v}{2}$   
2 gets 0

1 vs 1  $\frac{v}{2} - \frac{c}{2}$

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2 vs 2  $\frac{v}{2}$

expected payoffs for  $\begin{cases} x_1 = \text{fraction of pop 1} \\ x_2 = \text{fraction of pop 2} \end{cases}$

player 1)  $u_1(x_1, x_2)$

expected payoffs for  $\begin{cases} x_1 = \text{fraction of pop 1} \\ x_2 = \text{fraction of pop 2} \end{cases}$

player 1) 
$$u_1(x_1, x_2) = (-1)x_1x_2 + 4x_1(1-x_2) + 2(1-x_1)(1-x_2)$$
$$= -3x_1x_2 + 2x_1 - 2x_2 + 2$$

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$$u_2(x_1, x_2) = -3x_1x_2 - 2x_1 + 2x_2 + 2$$

