

Math 36

Homework 10

Game Theory: Two-Player General-Sum Cooperative Games

Consider the function ψ discussed in class that satisfies the Nash Bargaining Axioms. Let S be the region in the first quadrant bounded by the line segments from $(0, 11)$ to $(2, 11)$, from $(2, 11)$ to $(8, 9)$, and from $(8, 9)$ to $(15, 0)$. Let the status quo point (u_0, v_0) be $(3, 4)$. Find the arbitration point (u_*, v_*) given by $\psi(S, (u_0, v_0))$.