Game Theory, PhD in Economics and Management, 2005/06

Exercises (by Fragnelli), sheet no. 4, Tuesday, December 6, 2005

Esercise 1

Given the TU game $G = (N, v)$, where $N = \{1, 2, 3, 4\}$ and v is defined by:

$$v(S) = \begin{cases} 1 & \text{if} \quad \text{card(S)} = 1 \\ 4 & \text{if} \quad \text{card(S)} = 2 \\ 5 & \text{if} \quad \text{card(S)} = 3 \\ 8 & \text{if} \quad \text{S} = \text{N} \end{cases}$$

1. Compute $\phi_i(v), i \in N$.
2. Check that $\phi(v) \in C(v)$.
3. Check that $\phi(v)$ is the unique element in $C(v)$.