

QP CODE: 26019224



Reg No :

Name :

MA DEGREE (CSS) EXAMINATION, MARCH 2026

Fourth Semester

M A ECONOMICS

ELECTIVE - EC820402 - GAME THEORY AND ITS ECONOMIC APPLICATIONS

2019 Admission Onwards

A175E20E

Time: 3 Hours

Weightage: 30

Part A (Short Answer Questions)

*Answer any **eight** questions.*

Weight 1 each.

1. What are strategies?
2. Who is a Player in Game theory?
3. Briefly explain simultaneous-move games.
4. What is Savage strategy?
5. What is bluffing?
6. Briefly explain Optimal mixing rule.
7. What is game tree?
8. What is Risk aversion?
9. Explain Signaling.
10. State clearly the Revelation theorem.

(8×1=8 weightage)

Part B (Short Essay/Problems)

*Answer any **six** questions.*

Weight 2 each.

11. What is meant by the “prisoners’ dilemma”? Do the players in the prisoners’ dilemma game have a dominant strategy?
12. When can backward induction be used to arrive at the equilibrium for a game?





13. What is a two-person zero-sum game?
14. Explain the difference between static games involving discrete and continuous strategies.
15. Explain how John Harsanyi was able to transform games with incomplete information into games with complete, but imperfect, information.
16. Explain the difference between risk and uncertainty.
17. Explain why it is difficult to find an equilibrium strategy profile for dynamic games with incomplete information.
18. What is a common-value auction? Explain what is meant by the “winner’s curse.”

(6×2=12 weightage)

Part C (Essay Type Questions)

*Answer any **two** questions.*

*Weight **5** each.*

19. Critically analyse Nash equilibrium as a strategy used by firms.
20. Explain the difference between a credible threat and a trigger strategy. How are they similar?
21. Dynamic games with incomplete information typically have only one subgame. Explain.
22. How can we aggregate voters’ preferences when the set of alternatives has a combinatorial structure?

(2×5=10 weightage)

