

# STRATEGIC GAME THEORY

<http://www.agsm.edu.au/bobm/teaching/SGTM.html>

## What the course covers:

### *Strategic situations:*

**involving two or more participants, each trying to influence, to outguess, or to adapt to the decisions or lines of behaviour that others have just adopted or are expected to adopt (Tom Schelling).**

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***Look forward and reason backwards!***

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***Which tyre?***

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- *how high to bid* in an auction**

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- a *procurement manager* trying to induce a subcontractor to search for cost-reducing innovations
- an *entrepreneur* negotiating a royalty arrangement with a manufacturing firm to license the use of a new technology
- designing a *managerial incentive system*
- *how high to bid* in an auction
- a *negotiation* between a multinational and a foreign government over the setting up of a manufacturing plant

**That is, we examine both *Strategizing* and *Economizing*, using game theory.**

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## How do you learn?

- lectures,
- the text and readings
- in-class (experiential) exercises
- on-line exercises
- take-home assignments
- a team term project — applying the classes

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## Assessment

- **Three weekly individual assignments.**
- **An in-class midterm exam.**
- **A term project, applying the classes to business, or politics, or war, or movies, or novels, or ...  
Your choice, in consultation with me, and possibly in teams, with a class presentation.**

**For more, talk to me, Bob Marks, or see:**

<http://www.agsm.edu.au/bobm/teaching/SGTM.html>

**and read the handout, *Thinking Strategically*.**

**at**

<http://www.agsm.edu.au/bobm/teaching/SGTM/mailout.pdf>