

**Errata for Eric Rasmusen's Games and Information, Fourth Edition,
arranged by page number. Updated 22 June 2008.**

The fourth edition came out in October 2006.

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I have marked some errors on pdf files up on the web. They can be reached via <http://www.rasmusen.org/GI/errata3.htm>. I list the page numbers of such errors below.

If you find any new errors, please let me know, so future readers can be warned. Do not be shy— if you think it might be an error, do not feel you have to check it out thoroughly before letting me know. It's my duty to make sure and to be clear, not yours.

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page 20, clarification. Replace: Note that s_i^d is not a dominated strategy if there is no s_{-i} to which it is the best response, but sometimes the better strategy is s_i' and sometimes it is s_i'' .

with

If there is no s_{-i} to which a strategy s_i^d is the best response, that does not necessarily mean it is a dominated strategy. Instead, it might be that for some values of s_{-i} , s_i' is a better response than s_i^d and for other values s_i' is not but s_i'' is, in which case s_i^d is *not* a dominated strategy.

page 37 . Problem 1.8, choice (4) legal settlement game. Replace with "the Battle of Bismarck Sea"

page 38 ."uptil" typo in Prob. 1.10.

p. 73, chapter 3. The text says that the game in Table 3.2 is zero-sum, but it isn't. It could be made zero-sum by changing -6 to -4 and -9 to -4 and the text analysis will still be correct.

p. 76, chapter 3. A clarification. I am assuming that the one-time value of winning the market in the war of attrition is 3.

If, instead, the prize is the perpetuity X/r with X paid at the END of each period, then the dropping-out probability is $\theta = 1/(1 + X/r) = r/(X + r)$ and $V = [(1 + r)/(r + \theta)](x/r)$, I think (I haven't checked carefully). This θ rises with the interest rate r , and the value falls.

p. 90. Chapter 3. I say that Apex's Stackelberg output "only equals the monopoly output by coincidence, due to the particular numbers in this example." More precisely, it is due to the linearity of the demand here— we can change the parameters and still keep the coincidence.

p. 96. See <http://www.rasmusen.org/GI/errata3.htm>.

p. 103, chapter 3. (reader comment, not checked yet) Problem 3.1 (b): I believe you had in mind that there are two asymmetric equilibria (one candidate leaves immediately and the other stays and vice versa). Could there be more if one allows for different strategies that lead to these same outcomes? For example, one might be Obama stays forever, Clinton leaves immediately. Another might be Obama stays for N periods, Clinton leaves immediately, etc... It appears that there are only the two asymmetric equilibria if one restricts attention to stationary strategies (restricted to picking a probability of staying that is the same each period).

p. 152. Chapter 5. "Set $P = 0$ in the general Prisoner's Dilemma in table 1.9, and assume that $2R \geq S + T$."

should be

"Set $P = 0$ in the general Prisoner's Dilemma in table 1.10, and assume that $2R > S + T$."

p. 185, 187. (7.1) and (7.9) should say $U(e, \bar{w}(e)) = \bar{U}$ instead of $U(e, w(e)) = \bar{U}$.

p. 213, line 12. "If there was some chance" should be "If there were

some chance”.

p. 215. See <http://www.rasmusen.org/GI/errata3.htm>.

p. 222-225. See <http://www.rasmusen.org/GI/errata3.htm>.

p. 231. line 19. The agent’s payoff function in the paragraph below (8.20) should be $\pi_{agent} = w^* - e_1^2 - e_2^2 \geq 0$, not $\pi_{agent} = w^* + w - e_1^2 - e_2^2 \geq 0$.

p. 232, line 12. “salesmen” should be “salesman”.

p. 235. See <http://www.rasmusen.org/GI/errata3.htm>.

p. 249. (reader comment, not checked yet) In the box on page 249: the “buyer” (just below PAYOFFS) should be “seller.”

page 250, line 10 (without counting the title): (reader comment, not checked yet) . . . if the “seller” offers \$4,000 . . . the “seller” should be changed to “buyer.”

page 256, box :(reader comment, not checked yet) “PIAYERS” should be changed to “PLAYERS.”

page 258, line 16:(reader comment, not checked yet) . . . figure 9.6 is based . . . and C6 would be . . . C6 is not marked in figure 9.6.

page 280, 5th line from the bottom: (reader comment, not checked yet). . . zero “is” that case “is” should be changed to “in.”

page 284, line 9: (reader comment, not checked yet) . . . truthful if imperfect messages . . . You might want to use parentheses for “if imperfect.”

p. 285.(reader comment, not checked yet) In the out of equilibrium belief in Partial Pooling Equilibrium 3, the last expression should be “ $m \in [3, 10]$ ”, not “ $a \in [3, 10]$ ”.

page 286, line 1:(reader comment, not checked yet) delete one “a.”

page 321: (reader comment, not checked yet) Is the caption for figure 11.1 correct? Is that for a screening game?

page 328,(reader comment, not checked yet) just above "Separating Equilibrium 4.2" double upper bar is missing for s.

p. 332, box. in explaining the order of play, "choose" in item 2 should be "chooses."

p. 352, chapter 11. Problem 11.11 need italics for the variables.

p. 358. Chapter 12. "If Jones moves first, the unique Nash outcome would be (0, 1)," should be

"If Jones moves first, the unique equilibrium outcome would be (0, 1),"

p. 359. The caption "Figure 12.1 (a) Nash Bargaining Game (b) Splitting a Pie."

should be

"Figure 12.1 (a) Splitting a Pie (b) Nash Bargaining Game "

p. 359. Both figures should have their shaded areas labelled as X. It would be useful to label the origin in the left-hand figure as \bar{U}_s, \bar{U}_j .

chapter 13 generally: there is different notation for probabilities prob(.) in some cases Pr(.) in others. It makes no difference, but I should have been consistent.

p. 401 (reader comment, not checked yet) Equation 13.31: should be lowercase for F(x).

p. 404 (reader comment, not checked yet) there is a semicolon in the parentheses on 13.39 that isn't consistent with the notation in the rest of the text. .

p. 410, chapter 13. (reader comment, not checked yet) I may well be missing something, but I don't see why the densities in the formula in (13.56) aren't for order statistics rather than for the ordinary random variables. That is, bidders 1 and 2 aren't arbitrary, they are the first and second highest bidders.

p. 469, Gaskins note..."future..in the future" delete one of the futures