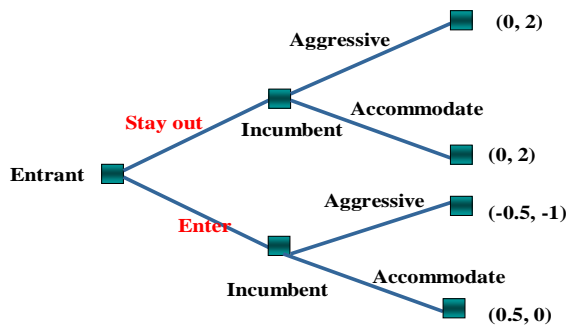


ECON 267 Homework 4

Due in class on March 15, 2006

1. Problem 4 on Page 264 (Pepall et al.)
2. Suppose that a game has the following extensive form:



What is the equilibrium in the game? Can the incumbent undertake an action to prevent this outcome?