

E101 - 8.1 - Nash Equilibrium

Prisoners Dilemma		Harper	
		Confess	Keep Quiet
Joel	Confess	Both 10 years	Harper Life Joel Free
	Keep Quiet	Joel Life Harper Free	Both 1 year

Collusion - an agreement among suppliers to set the price of a product or the quantities each will produce.

Game Theory - a method of analyzing firm behavior that highlights mutual independence among firms.

Nash Equilibrium - a situation where each rival chooses the best actions given the anticipated actions of others.