220218 - Game Theory

Coordinating unit: 205 - ESEIAAT - Terrassa School of Industrial, Aerospace and Audiovisual Engineering
Teaching unit: 749 - MAT - Department of Mathematics
Academic year: 2019
Degree: MASTER'S DEGREE IN SPACE AND AERONAUTICAL ENGINEERING (Syllabus 2016). (Teaching unit Optional)
MASTER'S DEGREE IN INDUSTRIAL ENGINEERING (Syllabus 2013). (Teaching unit Optional)
MASTER'S DEGREE IN AERONAUTICAL ENGINEERING (Syllabus 2014). (Teaching unit Optional)
ECTS credits: 3
Teaching languages: English

Teaching staff
Coordinator: Francesc Carreras
Others: Antoni Magaña

Teaching methodology

The teaching methodology will consist of three parts:

(1) Classroom sessions devoted to presenting the contents.
(2) Classroom sessions devoted to practical work.
(3) Self study including complementary exercises and activities.

In (1) the teacher will introduce the theoretical basis of the matter, that is, concepts, methods and results, and will illustrate them by means of suitable examples for ensuring a good comprehension of them.

In (2) applications of the theory to solve a variety of practical examples will be proposed by the teacher. Reasoning, analytical thinking and criticism will be promoted. Exercises to be solved individually or in small groups will also be proposed, as well as activities for self study.

Students, independently, need to work on the materials provided by teachers and the outcomes of the sessions of exercises/problems, in order to fix and assimilate the concepts.

Learning objectives of the subject

- To discover the subject and methodology of Game Theory, a branch of Operations Research devoted to the analysis of conflicts of interest.
- To realize the convenience of applying Game Theory to solve problems of management decision making, illustrated by means of examples of this field.

Study load

<table>
<thead>
<tr>
<th>Total learning time: 75h</th>
<th>Hours large group: 27h</th>
<th>36.00%</th>
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</thead>
<tbody>
<tr>
<td>Self study: 48h</td>
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<td>64.00%</td>
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**Content**

<table>
<thead>
<tr>
<th>Module1: Non-cooperative games: strategies</th>
<th>Learning time: 45h</th>
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<tbody>
<tr>
<td></td>
<td>Theory classes: 14h</td>
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<tr>
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<td>Self study : 31h</td>
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**Description:**
- Representation of conflicts: essential elements
- Finite and infinite games, with or without constant sum
- Optimal strategies and Nash equilibriums
- Cournot and Bertrand duopoly models and product differentiation

**Related activities:**
- Exercises
- Examination 1

<table>
<thead>
<tr>
<th>Module2: Cooperative games: sharing rules</th>
<th>Learning time: 30h</th>
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<tbody>
<tr>
<td></td>
<td>Theory classes: 13h</td>
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<tr>
<td></td>
<td>Self study : 17h</td>
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**Description:**
- Communication, cooperation and negotiation
- Sharing rules for costs, profits, and transferable utilities in general
- Economic games: the Shapley value
- Political games: the Shapley-Shubik power index

**Related activities:**
- Exercises
- Examination 2

**Qualification system**

The final mark will be obtained by weighting activities as follows:
- Exercises, weight: 20%
- Examinations, weight: 40% each

Examinations will be at individual level. Exercises might be occasionally allowed to be solved by small groups

**Bibliography**

**Basic:**