

# Game Theory

## PAY-OFF MATRIX OF PLAYER - A

		Player B						
		1	2	3	...	j	...	n
Player A	1	$V_{11}$	$V_{12}$	$V_{13}$	...	$V_{1j}$	...	$V_{1n}$
	2	$V_{21}$	$V_{22}$	$V_{23}$	...	$V_{2j}$	...	$V_{2n}$
	3	$V_{31}$	$V_{32}$	$V_{33}$	...	$V_{3j}$	...	$V_{3n}$
	...	...	...	...	...	...	...	...
	i	$V_{i1}$	$V_{i2}$	$V_{i3}$	...	$V_{ij}$	...	$V_{in}$
	m	$V_{m1}$	$V_{m2}$	$V_{m3}$	...	$V_{mj}$	...	$V_{mn}$

+

## PAY-OFF MATRIX of PLAYER - B

		Player B						
		1	2	3	...	j	...	n
Player A	1	$-V_{11}$	$-V_{12}$	$-V_{13}$	...	$-V_{1j}$	...	$-V_{1n}$
	2	$-V_{21}$	$-V_{22}$	$-V_{23}$	...	$-V_{2j}$	...	$-V_{2n}$
	3	$-V_{31}$	$-V_{32}$	$-V_{33}$	...	$-V_{3j}$	...	$-V_{3n}$
	...	...	...	...	...	...	...	...
	i	$-V_{i1}$	$-V_{i2}$	$-V_{i3}$	...	$-V_{ij}$	...	$-V_{in}$
	m	$-V_{m1}$	$-V_{m2}$	$-V_{m3}$	...	$-V_{mj}$	...	$-V_{mn}$

= 0 (zero)

In theory is one type of decision making theory the choice of action is determined after considering all possible alternatives available for playing the game, rather than based on the possibilities of several outcomes or outputs.

\* Criterion

The Criterion implies the assumption of Rationality to act as — "to maximize a person minimum gain (MAXMINI)" or — "to minimize a

persons maximum loss (MINIMAX)"

### \* GAME :-

It may be defined as an activity between two ~~one~~ (or) more persons involving activities by each person, according to a set of rules, at the end of which every person receives some benefit (or) loss (Quantitative)

### \* PAY-OFF :-

It is the Quantitative measure of output (writtens) a person receives at the end of each game

### \* ZERO-SUM GAME :-

If the players may payments only to each other, the loss of one player - " Equal to the gain of other player " and nothing comes from outside then that gain is known as zero-sum Game  
" The net gain for the game is zero "

### \* Non-zero-sum Game :-

The loss of one player is not equal to the gain of other player. The net gain for the gain is not equal to zero then that gain is known as Non-zero-sum Game.

### \* STRATEGY :-

There are two types of strategy for a game

#### a) pure strategy :-

If a player knows exactly what the other player is going to do then a determinate situation is resultant or generated the objective is maximize

or minimize the losses or gains. pure one type of decision making in the game to select a particular course of action

b) Mixed strategy :-

If a player is guessing as to which activity or decision is to be selected than other in a situation of the gain. A player doesn't have complete knowledge (or) full about the strategy of player team

\* Saddle point [ Equilibrium point ]

The saddle point of the pay off matrix is the position of an element in the matrix, which is the minimum in its row and maximum in its column

→ Mathematically if a pay off matrix  $\{v_{ij}\}$

$$\max_i [\min_j (v_{ij})] = \min_j [\max_i (v_{ij})] = V_{r,s}$$

Then the matrix is set to have a saddle point.

\* Optimal strategy :-

If the pay off matrix  $\{v_{ij}\}$ , has the saddle point  $(r, s)$  then the players are set to have  $r^{\text{th}}$  &  $s^{\text{th}}$  strategy (optimal strategy) respectively

\* Value of game :-

The pay off matrix  $\{v_{ij}\}$  at the saddle point  $(r, s)$  is known as value of the game it is obviously equal to  $\text{MAXMIN}(\underline{V})$  and  $\text{MINIMAX}(\bar{V})$  of the game

\* Two-person-zero-sum and Game :-

[Rectangular game] a game with only two players

(Player A & Player B) is known as two-person-zero-sum and Game.

when the loss of one person is equal to the gain of other player such that the net gain of the game is zero. The players may not have equal strategy. Hence it is a Rectangular Game.

### \* PAY OFF MATRIX FORM :-

Suppose player A has  $m$  activities and player B has  $n$  activities then a pay off matrix can be formed by the following rules

- The Row values in the matrix are the returns available to the player A.
- Column value in the matrix are the returns available to the player B.
- The cell entry  $V_{ij}$  is the payment to the player A in the pay off matrix of the player A when player A selects an activity  $i$  and player B selects an activity  $j$ .
- In the zero sum two person game the cell entry in pay off matrix of the player B will be negative with respect to cell entry in the pay off matrix of Player A.

The sum of pay off matrices for player A and player B is equal to zero

EX :- TOSSING OF A COIN (TWICE)  
PAY-OFF MATRIX OF PLAYER - A

		Player - B	
		H	T
Player - A	H	-1	+1
	T	+1	-1

It is a ~~pure~~ strategy a coin is tossed a twice every player has its choice between two pure strategy [head and tail] and matrix is in the following (2 X 2) form

### Game with Saddle point :-

maximini and minimax Criterion :-

If the maxmini & minimax value are equal then the game is said to have "SADDLE POINT". The corresponding pay-off value is known as value of the game [ $\underline{v} = \bar{v} = v$ ]

The procedural steps as follows.

1. note down the minimum pay-off an value for each Row it is denoted by the circle 'O'
2. Select the maximum pay-off value in each Column and it is denoted by the symbol " $\square$ " (square).

If the MAXMINI and MINIMAX values are equal then mark the position of the pay off value in the matrix. This value represents the value of the game it is also known as SADDLE POINT of the matrix.  
Problem :-

		Player - B			
		I	II	III	IV
Player - A	I	1	7	3	4
	II	5	6	4	5
	III	7	2	9	3

The given matrix is assumed to be pay-off matrix of the PLAYER A.

Player A is maximizing agent. The object is to maximize minimum gains

Player B is minimizing agent is controlled or checking the strategy of Player A

	I	II	III	IV	
Player A	I	7	3	4	1
	II	5	6	4	4
	III	7	2	0	0
		7	7	4	5

Since, the matrix has Row minimum value and Column matrix maximum value all equal in matrix

The model has a Saddle point.

value of Game  $v = 4$

(maximin = minmax)

optimal strategies of player-A (I, II, III) = (0, 1, 0)

optimal strategies of player-B (I, II, III, IV) = (0, 0, 1, 0)

Game without Saddle point :-

Such models can be solve by two methods.

1. Graphical method

2. Arithmetic method

1. Graphical method :-

The graphical method is useful for the game where the pay-off matrix (or) the model / problem is of a size  $(2 \times n)$  (or)  $(m \times 2)$ .

The game with mixed strategy for one of the players in the two person zero sum game

optimal strategy for the both the players non-zero probability if one player has only two strategies the other will also utilize the maximum no. of strategies.

Hence this method is useful for optimal strategies

For  $(2 \times n)$  Game model :-  
 The 'highest point' of lower boundary (or) envelope will give maximum expected pay off, among the minimum expected pay off on the lower boundary. The optimal value of probability  $P_1$  &  $P_2$  will be found. Now the two strategies of player B corresponding to those lines, which pass to the maximum point can be determined. It is in the reduced matrix of the game  $(2 \times 2)$  model.

For  $(m \times 2)$  Game model :- (treated as)

It is also solved in the same method here the 'upper boundary' of the straight lines corresponding to the expected pay off matrix of player B. It will be maximum expected payoff to the player B and 'lowest point' on this bound will provide the minimum expected pay-off (min max), and optimal values of probabilities  $Q_1$  &  $Q_2$ .

## 2. Arithmetic method :-

This method provides a simple technique to find the optimal strategy for each player  $(2 \times 2)$  method reduced matrix, without saddle point

The procedural step as follows.

1. find the difference b/w two values in the Column<sub>1</sub> and place it under Column<sub>2</sub> neglecting negative sign (take absolute values)
2. find the difference b/w two values in the Column<sub>2</sub> and place it under Column<sub>1</sub> neglecting negative sign [take absolute value]

3. Repeat the above steps for the two rows also the values does uptain are known as "ODDMENTS" they are the frequency with which the player must utilize their strategy or activities to get the optimal value

problem 2 :-

		Player B		
		I	II	III
Player A	I	1	3	11
	II	8	5	2

The given matrix is assumed to be pay-off matrix of player A

Player A is maximizing agent

The objective is to maximize minimum gains

Player B is minimizing agent. He wants to check strategy of player A. He wants to minimize maximum loss

		Player B			
		I	II	III	Row Min
Player A	I	1	3	11	(II) 1
	II	8	5	2	(I) 2
Column max		8	5	11	

There is no "Saddle point"

By graphical method

The given problem belongs to (2x3) Game model  
(Maximize - minimum Game)



By graphical method

the given game problem is values to  $(2 \times 2)$  model as follows

		PL-B		
		II	III	
PL-A	I	3	11	3
	II	5	2	8
		9	2	11

oddmnts

$$3/11$$

$$8/11$$

$$3 \times 9 = 27 + 11 \times 2 = 22$$

$$27 + 22 = 49$$

$$5 \times 9 = 45 + 2 \times 2 = 4$$

$$= 49$$

oddmnts  $9/11$   $2/11$

Conclusion :-

The optimal strategy of player-A (I II) =  $(\frac{3}{11}, \frac{8}{11})$

The optimal statement player-B (I, II, III) =  $(0, \frac{9}{11}, \frac{2}{11})$

Value of Game ( $\underline{v}$ ) =  $\frac{(3 \times 9) + (11 \times 2)}{9 + 2}$

$$\frac{27}{29}$$

$$= \frac{49}{11}$$

Problem 2-3

		Player-B		
		I	II	
Player A	I	2	4	2
	II	2	3	2
	III	3	2	2
	IV	-2	6	-2
Column max		3	6	

It is assume that the given problem is a pay-off matrix of player A = player A is

The objective is to maximize minimum gains

player B is checking the strategies of player A

player B is minimizing agent

The objective is minimize maximum loss

There is "No saddle point"

The given problem belongs to  $(m \times 2)$  model.

The given problem belongs to ~~(2x2)~~ (2x2) model as follows

		I	II		oddsments
PL-A	I	2	4	1	1/3
	III	3	2	2	2/3
		2	1	3	
		oddsments	2/3	1/3	

Conclusion :-

The optimal strategy of player A (I II III IV) =  $(\frac{1}{3}, 0, \frac{2}{3}, 0)$

The optimal statement player B (I, II) =  $(\frac{2}{3}, \frac{1}{3})$

$$\text{Value of Game } (\bar{V}) = \frac{(3 \times 2) + (2 \times 1)}{2+1}$$

(MINIMAX)

$$= \frac{6+2}{3}$$

$$= \frac{8}{3}$$

Problem :- 4 MCA NOV 22

use the graphical method in solving the following game and find the value of the game

Pl-B

		I	II	III	IV	
PL-A	I	2	2	3	-2	-2
	II	4	3	2	6	2
		4	3	3	6	

m row  
n column

The given matrix is assumed to be pay-off matrix of player A

Player A is maximizing agent

The objective is to maximize minimum gains

Player B is minimizing agent

Player B checking the strategy of player A

The objective is minimize Maximum Loss

there is "No saddle point"

By graphical method

The given problem belongs to  $(2 \times n)$  Game model

		Pl-B			
		III	II	oddmments	
Pl-A	I	3	-2	4	$3+2=5$
	II	2	6	5	$6-2=4$
oddmments		8	1	9	$6+2=8$
Conclusion:-		$\frac{8}{9}$	$\frac{1}{9}$		$3-2=1$

The given Optimal strategy of player A (I II III IV)

$$= \left( \frac{4}{9}, \frac{5}{9}, 0, 0 \right)$$

The optimal statement player B (III, IV) =  $\left( \frac{8}{9}, \frac{1}{9} \right)$

$$\begin{aligned} \text{Value of Game: } (\bar{v}) &= \frac{(2 \times 8) + (6 \times 1)}{8+1} \\ &= \frac{16+6}{9} \\ &= \frac{22}{9} \end{aligned}$$

Problem :- 5 MBA - Nov 2020

	I	II	
I	1	2	1
II	5	4	4
III	-7	9	-7
IV	-4	-3	-3
V	2	1	1
	5	9	

The Given problem is a payoff matrix of player A

Player A is a maximizing Agent.

The objective is a Maximize minimum gains

Player-B is checking the strategy of player-A

Player-B is minimizing Agent

There is "no saddle point"

By the graphical method

The given problem belongs to  $(m \times 2)$  model

		Player B		oddments
		I	II	
Player A	II	5	4	16
	III	-7	9	1
		5	12	17

oddments

$$\frac{5}{17}$$

$$\frac{12}{17}$$

$$\frac{-35 + 108}{5 + 12} = \frac{73}{17}$$

Conclusion:

The optimal strategy of player A (I II III IV) =  $(0, \frac{16}{17}, \frac{1}{17}, 0)$

The optimal statement of player B (I, II) =  $(\frac{5}{17}, \frac{12}{17})$

$$\text{Value of Game } (\bar{V}) = \frac{(-7 \times 5) + (9 \times 12)}{5 + 12}$$

$$= \frac{-35 + 108}{17}$$

$$= \frac{73}{17}$$

problem :- 6

MBA NOV 2020

7)

(b) Game value for the following data:

Player A	Player B	
	B <sub>1</sub>	B <sub>2</sub>
A <sub>1</sub>	5	3
A <sub>2</sub>	2	4

		Player B		Row min
		I	II	
Player A	I	5	3	3
	II	2	4	2

Glum  
mat

5

4

The given matrix is assumed to be pay-off matrix of player A

Player A is maximizing agent

The objective is to maximize minimum gains

Player B is minimizing agent

The objective is minimize Maximum Loss

Player B checking the strategy of Player A

There is "No Saddle point" ∴ Given problem belongs to  $(2 \times 2)$  model.

		Player B			oddments
		I	II		
Player A	I	5	3	2	$\frac{2}{4}$
	II	2	4	2	$\frac{2}{4}$
		1	3		
oddments		$\frac{1}{4}$	$\frac{3}{4}$		

$$P_1 = \frac{2}{2+2} = \frac{2}{4} = \frac{1}{2}$$

$$P_2 = \frac{2}{2+2} = \frac{2}{4} = \frac{1}{2}$$

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$$q_1 = \frac{1}{1+3} = \frac{1}{4}, \quad q_2 = \frac{3}{1+3} = \frac{3}{4}$$

Conclusion :-

The optimal strategy of player A (I, II) =  $(\frac{1}{2}, \frac{1}{2})$

$$= \frac{1}{2} + \frac{1}{2} \Rightarrow \frac{2}{2} \Rightarrow 1$$

The optimal statement of player B (I, II) =  $(\frac{1}{4}, \frac{3}{4})$

$$= \frac{1}{4} + \frac{3}{4} \Rightarrow \frac{4}{4} \Rightarrow 1$$

$$\text{Value of Game (V)} \Rightarrow \frac{(5 \times 1) + (3 \times 3)}{1+3} \Rightarrow \frac{5+9}{4}$$

$$= \frac{14}{4}$$

$$\Rightarrow \frac{(2 \times 1) + (4 \times 3)}{1+3} \Rightarrow \frac{2+12}{1+3} = \frac{14}{4}$$

$$\Rightarrow \frac{(5 \times 2) + (2 \times 2)}{2+2} \Rightarrow \frac{10+4}{4} = \frac{14}{4}$$

$$\Rightarrow \frac{(3 \times 2) + (4 \times 2)}{2+2} \Rightarrow \frac{6+8}{2+2} = \frac{14}{4}$$

problem :- 7

Throw some light on the significance of game theory for managers in a business organization. Solve the following 2 person zero sum game with the following 3x2 pay off matrix of player A :

		Player B	
		B <sub>1</sub>	B <sub>2</sub>
Player A	A <sub>1</sub>	9	2
	A <sub>2</sub>	8	6
	A <sub>3</sub>	6	4

Ans :-

		Player B		
		B <sub>1</sub>	B <sub>2</sub>	Row min
A <sub>1</sub>	9	2		2
A <sub>2</sub>	8	6		6
A <sub>3</sub>	6	4		4
Column max	9	6		

The given matrix is assumed to be pay-off matrix of the Player A

Player A is maximizing agent

The objective is to maximize minimum gains

Player B is minimizing agent

Player B is checking the strategy of player A

Since the Row minimum value and column maximum value are equal

The model has a "Saddle point"

Value of Game (V) = 6 (MAXMIN = MINMAX)

Optimal strategy of Player A (A<sub>1</sub>, A<sub>2</sub>, A<sub>3</sub>) = (0, 1, 0)

Optimal strategy of Player B (B<sub>1</sub>, B<sub>2</sub>) = (0, 1)

Find game to players A & B giving the pay off matrix of player A

		Player B			
		B <sub>1</sub>	B <sub>2</sub>	B <sub>3</sub>	
Player A	A <sub>1</sub>	12	-8	-2	-8
	A <sub>2</sub>	6	7	3	3
	A <sub>3</sub>	-10	-6	2	2
Column max		12	7	3	

The given matrix is assumed to be pay-off matrix of the player A

Player A is maximizing agent

The objective is to maximize minimum gains

Player B is minimizing agent

Player B is checking the strategy of player A

Since the Row minimum value and Column maximum value are equal

The model has a "saddle point"

Value of Game (V) = 3 (Maxmini = minimax)

Optimal strategy of player A (A<sub>1</sub>, A<sub>2</sub>, A<sub>3</sub>) = (0, 1, 0)

Optimal strategy of player B (B<sub>1</sub>, B<sub>2</sub>, B<sub>3</sub>) = (0, 0, 1)

Analytical method :-

Dominance Rule propriety (or) for (m x n) matrix :-

If the pay off matrix of a game model can be reduced by eliminating forces of action or strategy or game plan that is less importance to another

strategy such strategy are set be Dominated by other strategies.

## General rule (or) procedural steps :-

1. If all elements of a row (say  $k^{\text{th}}$  row) or less than or equal to corresponding elements of another row (say  $r^{\text{th}}$  row), then  $k^{\text{th}}$  row is dominated by  $r^{\text{th}}$  row.
2. If all elements of a column (say  $k^{\text{th}}$  column) are greater or equal to corresponding elements of another column (say  $r^{\text{th}}$  column), then  $k^{\text{th}}$  delete the dominated rows or column.
3. Delete the dominated rows or column.
4. If few linear combinations (Average) of some rows dominates  $i^{\text{th}}$  row, then  $i^{\text{th}}$  row can be deleted.
5. If few linear combinations (Average) of some columns dominates  $j^{\text{th}}$  column, then  $j^{\text{th}}$  column can be deleted.

## Note :-

1. ~~search~~ first search for common numerical values present in rows or columns.
2. Row wise : RETAIN <sup>higher</sup> values
3. Column wise : RETAIN lower values

## problem :-

	I	II	III
I	1	7	2
II	6	2	7
III	5	1	6



The given matrix is assumed to be pay-off matrix of the player A  
 player A is maximizing agent

The objective is to maximize minimum gains

player B is minimizing agent

player B checking the strategy of player A

The objective is minimize maximum loss

There is "No Saddle point"

		PL-B			
		I	II	III	Row minimum
PL-A	I	1	7	2	1
	II	6	2	7	2
	III	5	1	6	1
Column maximum		6	7	7	

By analytical method. By Dominance Rule method.  
 $R_2$  values are less than  $R_3$  values they are

Dominated by  $R_2$  values

Hence  $R_3$  can be deleted.

The reduced as below.

		PL-B		
		I	II	III
PLA	I	1	7	2
	II	6	2	7

3<sup>rd</sup> column less  
1<sup>st</sup> column

$C_3$  values are higher than  $C_1$  values

$C_3$  is dominated by  $C_1$

Delete  $C_3$  values

The reduced matrix has below

		PL-B		addments	
		I	II		
I	addments	1	7	4	4/10
		6	2	6	6/10
		5	5	5/10	5/10

Conclusion :-

The optimal strategy's of player A (I, II, III) =  $(\frac{4}{10}, \frac{6}{10}, 0)$

optimal strategy's of player B (I, II, III) =  $(\frac{5}{10}, \frac{5}{10}, 0)$

value of the Game (V) =  $(\underline{V} = V = \overline{V})$

$$= \frac{(6 \times 5) + (8 \times 5)}{5+5}$$

$$= \frac{30 + 40}{10}$$

$$= \frac{70}{10} = 7$$

problem :- 2 PL-B

	I	II	III	Row min
I	4	2	4	2
II	2	4	0	0
III	4	0	8	0

column max  
4 4 8

The given matrix is assumed to be pay off matrix of the player-A

player A is maximizing Agent, the objective is to maximize minimum gains

player B is minimizing Agent

The objective is minimize maximum loss

player B is checking the strategy of player A

there is "No Saddle point"

By Analytical method.

By Dominance Rule method

The Average of  $R_2$  and  $R_3$  values, is less than are  
one value

Hence  $R_2, R_3$  Can be deleted

Now Reduced matrix as follows

	I	II	III
I	4	2	4

$C_1$  and  $C_3$  values are higher than  $C_2$  value they  
are dominated by  $C_1$  value

Hence they can be deleted

The Reduced matrix has follows

	II
I	2

The optimal strategy's of player A  $(I, II, III) = (1, 0, 0)$

The optimal strategy's of player B  $(I, II, III) = (0, 1, 0)$

Value of the Game  $(V) = 2$

Problem :- 3

3	5	4	9	6
5	6	3	7	8
8	7	9	8	7
4	2	8	5	3

The given matrix is assumed to be the pay off matrix of player A

Player-A is maximizing agent

Player-B is minimizing agent

Player-A objective of a maximize to minimize gain

Player-B is checking strategy of a player-A

The objective of a minimize to maximize loss

	I	II	III	IV	V	Row minimum
I	3	5	4	9	6	3
II	5	6	3	7	8	3
III	8	7	9	8	7	7
IV	4	2	8	5	3	2
Column maximum	8	7	9	9	7	

This is model has a "saddle point".

By Analytical method

By Dominated method

R<sub>3</sub> values are less than R<sub>4</sub> values

there are dominated by R<sub>3</sub> values

Hence R<sub>4</sub> values can be Deleted

The reduced matrix is

	I	II	III	IV	V
I	3	5	4	9	6
II	5	6	3	7	8
III	8	7	9	8	7

$C_4$  values are higher than  $C_2$  values  
 $C_4$  dominated by  $C_2$  values hence  $C_4$  Deleted  
 The Reduced matrix as below

	I	II	III	IV
I	3	5	4	6
II	5	6	3	8
III	8	7	9	7

$C_4$  values are higher than  $C_2$  values

$C_4$  Dominated by  $C_2$  values hence  $C_4$  Deleted. Reduced matrix below

	I	II	III
I	3	5	4
II	5	6	3
III	8	7	9

$R_3$  values are less than  $R_2$  values.

There are Dominated by  $R_3$  values.  $R_2$  Deleted

	I	II	III
I	3	5	4
II	8	7	9

$R_2$  values are less than  $R_1$  values

There are Dominated by  $R_2$  values

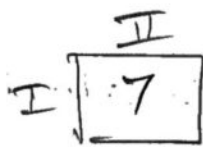
hence  $R_1$  values are Deleted

	I	II	III
I	<del>3</del>	7	<del>9</del>

$C_1$  and  $C_3$  values are higher.

Hence  $C_2$  values they are Dominated by  $C_2$  values

$C_1$  &  $C_3$  can be deleted



Conclusion:-

optimal solution player A = (I, II, III, IV)  
= (0, 0, 1, 0)

optimal solution player B = (I, II, III, IV, V)  
= (0, 1, 0, 0, 0)

values of Game = 7

Problem :- 4

	I	II	III	IV	V
I	2	4	3	8	4
II	5	6	3	7	8
III	6	7	9	8	7
IV	4	2	6	4	3

The given matrix is assumed to be the pay off matrix

Player A is maximizing agent

Player B is minimizing agent

Player A is objective of maximize to minimize gain  
Player B is checking strategy for a the objective  
of a minimize maximize loss

	I	II	III	IV	V	
I	2	4	3	8	4	2
II	5	6	3	7	8	3
III	6	7	9	8	7	6
IV	4	2	6	4	3	2
	6	7	9	8	8	

This is "Saddle point"

By Analytical method

By Dominated method

$R_3$  values higher than  $R_1$  and  $R_4$   
 $R_1$  and  $R_4$  values are dominated by  $R_3$  values  
 Hence it can be eliminated  $R_1$  &  $R_4$  values

Now can be Reduced matrix

	I	II	III	IV	V
II	5	6	3	7	8
III	6	7	9	8	7

$C_1$  values are lower than  $C_2$  and  $C_4, C_5$  values  
 $C_4, C_2, C_5$ , are dominated by  $C_1$  values  
 Hence  $C_2, C_4, C_5$  Deleted

Reduced matrix

	I	III
II	5	3
III	6	9

6      9

$R_3$  values are higher than  $R_2$  values  
 $R_2$  values dominated  
 Hence  $R_2$  values are deleted

	I	II
III	6	9

	I
III	6

optimal strategy of player A

$$(I, II, III, IV) = (0, 0, 1, 0)$$

$$\text{Player B } (I, II, III, IV) = (1, 0, 0, 0)$$

value of Game 6

	I	II	III	IV	V
I	2	4	3	8	4
II	5	6	3	7	8
III	6	7	9	8	7
II	4	2	6	4	3

This is "saddle point"

$C_1$  vs  $C_4$   $C_4$  Deleted

$C_2$  vs  $C_5$   $C_5$  Deleted

$R_3$  vs  $R_2, R_4, R_1$  Deleted

$C_1$  vs  $C_2, C_3$  Deleted

The Reduced matrix was a single matrix

	I
III	6

value of Game = 6

← process II

Same answer

Player A : (I, II, III, IV) & (0, 0, 1, 0)

Player B : (I, II, III, IV, V) : (1, 0, 0, 0, 0)

Problem :- 5

	I	II	III	IV	V	VI	
I	0	0	0	0	0	0	0
II	4	2	0	2	1	1	0
III	4	3	1	3	2	2	1
IV	4	3	7	-5	1	2	-5
V	4	3	4	-1	2	2	-1
VI	4	3	3	2	2	2	-2
	4	3	7	3	2	2	

There is no "saddle point"

C<sub>5</sub> values C<sub>1</sub>, C<sub>2</sub>, C<sub>6</sub> value are higher than

C<sub>5</sub> values Hence C<sub>1</sub>, C<sub>2</sub>, C<sub>6</sub> Deleted

R<sub>3</sub> values higher than R<sub>1</sub>, R<sub>2</sub> values R<sub>1</sub>, R<sub>2</sub> Dominated

by values R<sub>3</sub> Hence R<sub>1</sub>, R<sub>2</sub> Deleted

R<sub>5</sub> values are Higher than R<sub>6</sub>

R<sub>6</sub> values dominated by R<sub>5</sub>

Deleted R<sub>6</sub>

	III	IV	V
III	1	3	2
IV	7	-5	1
V	4	1	2

The linear Average of C<sub>3</sub> and C<sub>4</sub> values lower

than C<sub>5</sub> Hence C<sub>5</sub> is dominated by average values

C<sub>4</sub>, C<sub>3</sub> Hence C<sub>5</sub> Can be Deleted



The linear average of  $R_3$  and  $R_4$  is equal to  $R_5$   
 Hence delete  $R_5$  values

	III	IV		
III	1	3	-12	-12/14
IV	7	-5	2	2/14
	8	6	14	
	8/14	6/14		

The optimal solution strategy of play A =  $(I, II, III, IV, V, VI)$   
 $= (0, 0, 8/14, 6/14, 0, 0)$

The optimal solution strategy of play B =  $(I, II, III, IV, V, VI)$   
 $= (0, 0, 12/14, 2/14, 0, 0)$

$$\bar{V} = \frac{8+18}{14} = \frac{26}{14}$$

problem 5-6  
 H.w

	I	II	III	IV
I	8	10	9	14
II	10	12	8	12
III	13	12	14	13

The given matrix Assumed to the pay-off matrix of player-A

Player-A is minimizing agent the objective to maximize and minimize gains.

Player-B is checking strategy of player-A

Player-B is minimizing player-A

	I	II	III	IV	P1-B
I	8	10	9	14	8
II	10	12	8	12	8
III	13	12	14	13	12
	13	12	14	14	

This is "saddle point"

By Analytical method

By Dominance Rule

The  $R_3$  values less than  $R_2$  values

there are dominated by  $R_3$  values

$R_2$  values deleted

The reduced matrix ( $4 \times 2$ )

	I	II	III	IV
I	8	10	9	14
II	13	12	14	3

$C_4$  values is higher than  $C_1, C_2$  values  
dominated by  $C_1, C_2$

$C_4$  values can be deleted

The resultant matrix ( $3 \times 2$ )

	I	II	III
I	8	10	9
III	13	12	14

$R_3$  values are less than  $R_1$  values  
they dominated by  $R_3$  values

$R_1$  values deleted

The Resulted matrix ( $1 \times 3$ )

	I	II	III
III	13	12	14

$C_1, C_3$  values higher than  $C_2$  values

$C_1, C_3$  dominated by  $C_2$

Hence  $C_1, C_3$  deleted

The resulted matrix ( $1 \times 1$ )

Player A  $\begin{matrix} \text{I} \\ \text{II} \\ \text{III} \\ \text{IV} \end{matrix}$   $\begin{matrix} \text{I} \\ \text{II} \\ \text{III} \\ \text{IV} \end{matrix}$  PL - B

$\boxed{12}$

The optimal strategy player-A =  $(\text{I}, \text{II}, \text{III}) = (0, 0, 1)$

The optimal strategy player-B =  $(\text{I}, \text{II}, \text{III}, \text{IV}) = (0, 1, 0, 0)$

Game value  $V = 12$

Problem 7

	I	II	III
I	12	-8	-2
II	6	7	3
III	-10	-6	2

The solve matrix assumed to the pay-off matrix of player A

player A is minimizing agent the objective is to maximize and minimize gains

player-B is checking strategy of player-A

Player-B is minimizing player-A

	I	II	III	
I	12	-8	-2	-8
II	6	7	3	3
III	10	-6	2	-10
	12	7	3	

there is a "saddle point"

By Analytical method

By Dominance method

$R_2$  values less than  $R_3$  values

They are dominated by  $R_2$  values

Hence  $R_3$  Deleted

	I	II	III
I	12	8	-2
II	6	7	3

$C_1$  values are higher than  $C_3$  values  
they dominated  $C_3$  value

Hence  $C_1$  values deleted

$R_1$  values are less than  $R_2$  values

Hence delete  $R_1$

	II	III
II	7	3

$C_2$  higher than  $C_3$

$C_3$  dominated by  $C_2$

Hence  $C_2$  deleted

	III
II	3

Game value 3

The optimal strategy player-A  $(I, II, III) = (0, 1, 0)$

The optimal strategy player-B  $(I, II, III) = (0, 0, 1)$

Problem :- 8

	I	II	III	IV	
I	19	6	7	5	6
II	7	3	14	6	3
III	12	8	18	4	4
IV	8	7	13	-1	-1
	19	8	18	6	

The is "No Saddle point"

By Analytical method

By Dominated method

	I	II	III	IV	
I	19	6	7	5	6
II	7	3	14	6	3
III	12	8	18	4	4
IV	8	7	13	1	-1

$R_3 \text{ vs } R_4$

	I	II	III	IV
I	19	6	7	5
II	7	3	14	6
III	12	8	18	4

$C_2 \text{ vs } C_1, C_3 \text{ deleted}$

	II	IV
I	<del>6</del>	<del>5</del>
II	<del>3</del>	<del>6</del>
III	8	4

	II	IV
III	<del>8</del>	4

	IV
III	4

Optimal solution of player A (I II III) = (0, 0, 1)

Optimal solution of player B (I, II, III, IV) = (0, 0, 0, 1)

Game value 4