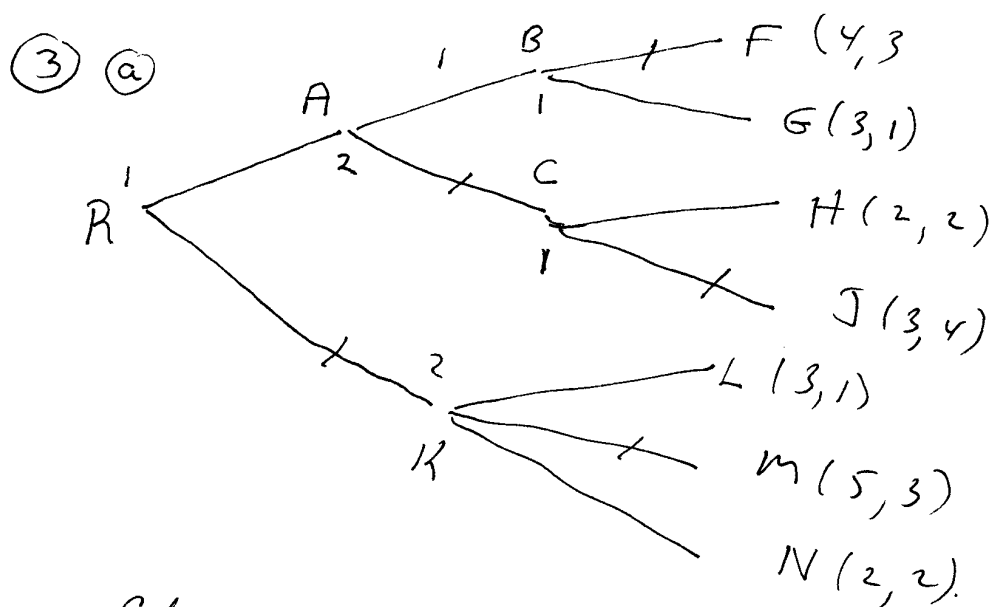




Choices marked on graph. Path RKM. Payoff (5,3).

⑥ There are several choices which are Nash equilibria but are not subgame perfect

- $(\{RK, \underline{BG}, CJ\}, \{AC, KM\})$
- $(\{RK, \underline{BG}, CJ\}, \{\underline{AB}, KM\})$
- $(\{RK, \underline{BG}, \underline{CH}\}, \{\underline{AB}, KM\})$
- $(\{RK, BF, CJ\}, \{\underline{AB}, KM\})$
- $(\{RK, BF, \underline{CH}\}, \{AC, KM\})$
- $(\{RK, \underline{BG}, CJ\}, \{AC, KM\})$

Check for $(\{RK, \underline{BG}, CJ\}, \{AC, KM\})$.

For player 1. If keep RK then payoff is 5 for choices starting at B & C, so no incentive to change.

If use RA, then can get to H or J, payoff 2 or 3. ^{No} _{mont.}

Player 2. Keeping RK, BG, CJ fixed; can reach L, M, or N.

highest of these is at M. Therefore, no incentive to change.