

**The Prisoner's Dilemma**

		Prisoner 2	
		Not Confess	Confess
Prisoner 1:	Not Confess	1 year each	10 years for 1 and 3 months for 2
	Confess	3 months for 1 and 10 years for 2	8 years each

<b>DISPLAY 8.1</b>		
<b>HUME'S MARSH-DRAINING GAME*</b>		
	<i>Farmer B's Choice</i>	
	<b>Drain marsh (Cooperate)</b>	<b>Do not drain marsh (Do not cooperate)</b>
<i>Farmer A's Choice</i>		
<b>Drain marsh (Cooperate)</b>	1, 1	-1, 2
<b>Do not drain marsh (Do not cooperate)</b>	2, -1	0, 0
<p>* The first number in each cell is the net payoff in utiles to Farmer A; the second number is the payoff in utiles to Farmer B.</p>		

## The Decision to Contribute

DISPLAY 9.1			
Ms. J's CHOICE	NUMBER OF OTHER GROUP MEMBERS CONTRIBUTING		
	less than $k-1$	exactly $k-1$	$k$ or more
contribute	$-C$	$B-C$	$B-C$
do not contribute	$0$	$0$	$B$

## The "Battle of the Sexes" Game

$$\begin{array}{c}
 \alpha_1 \left[ \begin{array}{cc}
 \beta_1 & \beta_2 \\
 (2, 1) & (-1, -1)
 \end{array} \right] \\
 \alpha_2 \left[ \begin{array}{cc}
 (-1, -1) & (1, 2)
 \end{array} \right]
 \end{array}$$

## The Group Coordination Problem

<b>DISPLAY 9.2</b>			
CHOICES OF OTHERS			
Ms. J's CHOICE	Everyone else chooses opera	Everyone else chooses ballet	No con- sensus
opera	$B$	0	$b$
ballet	0	$B$	$b$

## The Problem of Heterogeneous Preferences

<b>DISPLAY 9.3</b>			
CHOICES OF OTHERS			
Ms. J's CHOICE	Everyone else chooses opera	Everyone else chooses ballet	No con- sensus
opera	$B_1, B_2, \dots, B_n$	0	$b$
ballet	0	$\beta_1, \beta_2, \dots, \beta_n$	$b$