



[Glossary]

Game Theory

Subject:	Business Economics
Course:	B. A. (Hons.), 2 nd Semester, Undergraduate
Paper No. & Title:	Paper – 201 Microeconomics II
Unit No. & Title:	Unit – 1 Market with Imperfect Competition
Lecture No. & Title:	Lecture – 4 Game Theory

Glossary

Dominant Strategy: A strategy which always gives the best return irrespective of what other player do.

Game Theory: A theory developed to explain and understand the behavior of firms operating in oligopoly market.

Mixed Strategy: Not a fixed course of action or strategy

Optimal Strategy: The plan of action that puts a firm in most preferred position

Prisoner's Dilemma: A situation used to explain behavior of firms under non-cooperative conditions.

Strategy: Action that a firm can take.