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Economics 504: Extensive Form Games Problem Set (#2)

**Dynamic Games**

In the game below find 1) the normal form 2) all pure and mixed Nash equilibria 3) all subgame perfect equilibria

![Game Diagram]

**Backward Induction**

There are five pirates with names 1,2,3,4,5. They have just seized a hundred gold coins, and now it's time to share the loot. The bargaining rules are: Whoever has the lowest number as a name must propose an division of the one hundred coins to the remaining pirates. If the majority accepts the proposal, then the coins are allocated and the game ends. If the majority does not accept, then the proposer gets thrown overboard and the game is repeated with one less pirate. What should the first pirate propose?