

## GAME THEORY AND STRATEGY: THE GAME OF LIFE

**Coordinator:** James Smith

Game theory means rigorous strategic thinking. It's the art of anticipating your opponent's next moves, knowing full well that your rival is trying to do the same thing to you. Though parts of game theory involve simple common sense, much is counterintuitive, and it can only be mastered by developing a new way of seeing the world. Using a diverse array of rich case studies—from pop culture, TV, movies, sports, politics, and history—we see how nearly every business and personal interaction has a game-theory component to it. Mastering game theory makes people more successful in business and life.

**James** was the CEO of a large non-profit in Harvard Square. He has coordinated many groups on neuroscience, evolutionary psychology, and culture.

**Type of Study Group:** Discussion

### **Readings and other Materials/Online Services:**

*The Art of Strategy: A Game Theorist's Guide to Success in Business and Life* by Avinash Dixit and Barry J. Nalebuff.

\*\*\*\*\* **SYLLABUS - A WORK IN PROGRESS** \*\*\*\*\*

### **WEEK 1**

**TOPIC:** Why learn Game Theory?

**READING:** Chapter 1

#### **QUESTIONS:**

What are the traits of interactive decision making? Can you tell how others are to react to your moves? How does game theory apply to economics, political science, business, marriage, and psychology?

### **WEEK 2**

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**TOPIC:** Winning games with Backward Reasoning

**READING:** Chapter 2

**QUESTIONS:**

Why are your intuitions about how to “play the game” likely wrong? What kind of mental orientation should one adopt in strategizing?

### **WEEK 3**

**TOPIC:** "Prisoner's Dilemmas and How to Resolve Them"

**READING:** Chapter 3

**QUESTIONS:**

What is the dilemma, and how common is it? What is the best strategy to use when you are in one? What does *Catch-22* teach us on this topic?

**WEEK 4:** "A Beautiful Equilibrium": John Nash's insight

**WEEK 5:** "Choice and Chance"

**WEEK 6:** "Strategic Moves"

**WEEK 7:** "Making Strategies Credible"

**WEEK 8:** "Interpreting and Manipulating Information"

**WEEK 9:** "Cooperation and Coordination"

**WEEK 10:** "Bargaining" and negotiating

**WEEK 11:** "Incentives"

**WEEK 12:** "Case Studies"

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