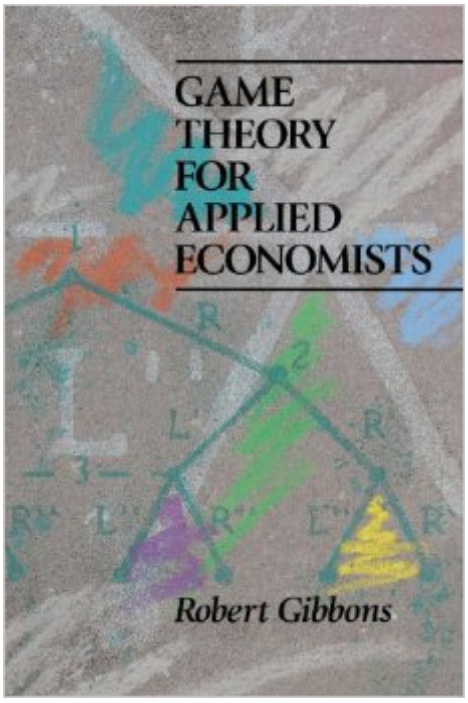
# Game Theory For Applied Economists



## Synopsis

This book introduces one of the most powerful tools of modern economics to a wide audience: those who will later construct or consume game-theoretic models. Robert Gibbons addresses scholars in applied fields within economics who want a serious and thorough discussion of game theory but who may have found other works overly abstract. Gibbons emphasizes the economic applications of the theory at least as much as the pure theory itself; formal arguments about abstract games play a minor role. The applications illustrate the process of model building--of translating an informal description of a multi-person decision situation into a formal game-theoretic problem to be analyzed. Also, the variety of applications shows that similar issues arise in different areas of economics, and that the same game-theoretic tools can be applied in each setting. In order to emphasize the broad potential scope of the theory, conventional applications from industrial organization have been largely replaced by applications from labor, macro, and other applied fields in economics. The book covers four classes of games, and four corresponding notions of equilibrium: static games of complete information and Nash equilibrium, dynamic games of complete information and subgame-perfect Nash equilibrium, static games of incomplete information and Bayesian Nash equilibrium, and dynamic games of incomplete information and perfect Bayesian equilibrium.

## Book Information

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## Customer Reviews

This is an excellent quick guide to the essentials fo Game theory for graduate level students. While is has slightly less detail than Tirole and Fudenberg's Game Theory, and fewer stories and context than Binmore's "Fun and Games" (an undergraduate level text), this book is very important in presenting the structure of non-cooperative game theory in a lean manner. It is also very good as a reference text.

This is the book I learned game theory from. I think the book covers a good deal of game theory with enough details and coverage. The best thing about the book is that the discussions are simple and clear which makes learning game theory easy and quick. The book is not very technical, but goes through examples (both simple and little more complicated) to clarify different games. At the end of chapters there are exercises too, and they are helpful.I recommend this book as your first book in game theory. If you want to do some serious work with game theory, you may want to check more technical and more advanced books in the field.

Gibbons makes learning game theory easy. Game Theory for Applied Economists explains both how to solve and the ideas behind game theoretic models carefully. This enables students to better see how the math applies to how people vie in markets. It also makes it accessable to students who do not already know a great deal of math. Game Theory for Applied Economists could be used as an undergraduate text, as well as a supplemetal text in graduate school. Some of the other reviewers find this book difficult, but it is easy compared to most math-econ texts.There is alot more to game theory that what you see in this book, but this book teaches enough game theory for a good general understanding of this subject. This book covers the concepts all should start with, no matter where you end up heading with game theory. Everyone planning to attend graduate school for economics should read this book.

Many readers have commented on how technical this book is. I agree, but keep in mind, this book was written for students who aim to become economists, and a certain degree of technical difficulty is imperative. I confess that I struggled through the book, and I often came upon huge obstacles.

But none of the difficulties that I faced were due to the book itself, all of the struggles were due to my own limited ability. But I guarantee, once you get through this book, you will be able to "use" game theory, and probably even incorporate it in your next research project!This book was written for those who wish to use game theory in their next research paper, and it does an excellent job of it. If you are only searching for a book to understand game theory, then this book is not for you. But if you want to "use" game theory, then look no further!

I've used this book both as a textbook and as a reference in three game theory courses, both at the undergraduate and graduate levels. It doesn't cover some critical applications to contract theory, but other than that it's absolutely thorough and clear.I don't know if it would be all that fun for someone just looking to dabble in game theory without any academic interests. I can recommend Strategy by Joel Watson for those folks - much more intuitive and has lots of examples. But if you're academically interested in game theory at all, you have to get this book. It's a great reference, and absolutely worth the money (I can't usually say that about my textbooks!).

I bought this book hoping to find a lesson on game theory and applied economics. While I studied both in college, I was never the strongest of mathematicians and as a result I found this book a bit technical. While I understand the Author was writing for perhaps a different audience, I have had sufficient exposure to both calculus and econometrics that I feel I should not have felt lost at times.This is not the best book for someone looking for an introductory look at game theory. In addition, the book is really not oriented toward anyone that is not a serious practitioner or not seeking to really crack the math. As a result, unless you are serious, I would discourage you from buying this book.

Overall this is a very well written intro to game theory. However I want to raise one point which was never mentioned here. Unfortunately Gobbons' writing style deteriorate as the book progresses, and gets downright careless in the last chapter, which happens to be filled with examples. (there are typos as well, which are not present in other chapters.) I don't know if he was under the pressure to finish the book quickly, but it is clear not much attention was paid to that chapter. The explanations are not clear and confusing (it is a consensus from my classmates.) I'm giving four stars still because I think it is a pretty good introductory text. Just be mindful of that chapter.

Don't buy the Kindle Edition. The typesetting is horrible, it is impossible to read. What's more, there

are typos everywhere, and some of the formulas are incorrect and certainly do not match the original, printed version.With most mistakes you can puzzle out what the original probably says, but at one point, the author intends to use a cumulative probability function F(x) and then f(x) to denote its derivative, but the Kindle Edition depicts them both capital F(x). I'm a patient man, but that's what prompted me to write this review and warn others away.Maybe it'll do in a pinch if you really, really hate printed books, but avoid if at all possible.