

Battle of Sexes:

Best response Dynamic

		q $1-q$	
		g	
P	B	C	H
	C	$10, 5$	$0, 0$
$1-P$	H	$0, 0$	$5, 10$

Payoff of girl if she chooses C is,

$$U_G(C) = 5p + 0(1-p) \\ = 5p$$

Similarly, payoff of the girl if she always chooses H,

$$U_G(H) = 0p + 10(1-p) \\ = 10(1-p)$$

$$\begin{aligned} \text{if } U_G(C) &> U_G(H) \\ 5p &> 10(1-p) \\ \Rightarrow 15p &> 10 \\ \Rightarrow p &> \frac{2}{3} \end{aligned}$$

if $p > \frac{2}{3}$
then girl is always
watching cricket
Best response $q^* = 1$

$$\text{if } U_G(C) < U_G(H)$$

$$5p < 10(1-p)$$

$$\Rightarrow 15p < 10$$

$$\Rightarrow \boxed{p < \frac{2}{3}}$$

If $p < \frac{2}{3}$, then girl
chooses to always watch
H, therefore best response
 $q^* = 0$

when $U_G(L) = U_G(H)$

$$\Rightarrow 5p = 10(1-p)$$

$$\Rightarrow 15p = 10$$

$$\Rightarrow \boxed{p = \frac{2}{3}}$$

at $p = \frac{2}{3}$

$$U_G(L) = 5 \times \frac{2}{3} = \frac{10}{3}$$

$$U_G(H) = 10(1 - \frac{2}{3}) = \frac{10}{3}$$

If $p = \frac{2}{3}$, best response
(q_j^* is any $0 \leq q_j^* \leq 1$)
↓
since both cricket (C) and
HP movie (H) yield the
same payoff.

Best response q_j^* of girl.

$$q_j^* = \begin{cases} 1 & \text{if } p > \frac{2}{3} \\ 0 & \text{if } p < \frac{1}{3} \\ 0 \leq q_j^* \leq 1 & \text{if } p = \frac{1}{3} \end{cases}$$

$$U_B(C) = 10q + 0(1-q) \\ = 10q$$

$$U_B(H) = 0q + 5(1-q) \\ = 5(1-q)$$

If $U_B(C) > U_B(H)$
ie $10q > 5(1-q)$
 $\Rightarrow q > \frac{1}{3}$

Since cricket yields a higher payoff, Boy chooses to watch cricket all the time. $\Rightarrow p^* = 1$

$$U_B(L) < U_B(H)$$
$$10q < 5(1-q)$$
$$\Rightarrow q < \frac{1}{3}$$

If $q < \frac{1}{3}$, boy chooses
to always watch H,

$$p^* = 0$$

$$1 - p^* = 1$$

if $q = \frac{1}{3}$, then
we have

$$U_B(C) = 10q = \frac{10}{3}$$

$$U_B(H) = 5(1 - q) = \frac{10}{3}$$

If $q = \frac{1}{3}$

Any $0 \leq p^* \leq 1$ is
a best response.

$$p^* = \begin{cases} 1 & \text{if } q > \frac{1}{3} \\ 0 & \text{if } q < \frac{1}{3} \\ 0 \leq p^* \leq 1 & \text{if } q = \frac{1}{3} \end{cases}$$