

## **Game Theory: Planning Strategic Business Contingencies and Crisis Management**

Professor James Raymond Vreeland

*June 5 – June 6, 2015*

### **Course Description:**

This course introduces students to advanced methods for thinking strategically. This course uses basic concepts from game theory to structure and solve business decisions. The course will use case studies as the basis for understanding the concept of strategy.

### **Key Topics:**

1. Looking ahead and reasoning backwards: “Backwards induction”
2. Cooperation and conflict: The Prisoner's Dilemma
3. Credible Commitments & Reputation
4. Crisis Management
5. Dominant and Dominated Strategies
6. Advantages and disadvantages of leading: Leading by Following and the “Truel” (the 3-person duel)

### **Pre-readings:**

Dixit, Avinash K. and Barry J. Nalebuff. 1991. *Thinking Strategically: The Competitive Edge in Business, Politics, and Everyday Life*. New York: W. W. Norton & Company.

- “Introduction”
- Chapter 1 – “Ten Tales of Strategy”
- Chapter 6 – “Credible Commitments”