Contents

1 Stochastic Cooperative Games: Theory and Applications 1
BY PETER BORM AND JEROEN SUIJS
1.1 Introduction 1
1.2 Cooperative Decision-Making under Risk 5
1.2.1 Chance-Constrained Games 5
1.2.2 Stochastic Cooperative Games with Transfer Payments 7
1.2.3 Stochastic Cooperative Games without Transfer Payments 11
1.3 Cost Allocation in a Network Tree 15
1.4 Bankruptcy Problems with Random Estate 19
1.5 Concluding Remarks 22

2 Sequencing Games: a Survey 27
BY IMMA CURIEL, HERBERT HAMERS, AND FLIP KLIJN
2.1 Introduction 27
2.2 Games Related to Sequencing Games 29
2.3 Sequencing Situations and Sequencing Games 31
2.4 On Sequencing Games with Ready Times or Due Dates . 36
2.5 On Sequencing Games with Multiple Machines 40
2.6 On Sequencing Games with more Admissible Rearrangements 45

3 Game Theory and the Market 51
BY ERIC VAN DAMME AND DAVE FURTH
3.1 Introduction 51
3.2 Von Neumann, Morgenstern and Nash 52
3.3 Bargaining 57

3.4 Markets 61
3.5 Auctions 69
3.6 Conclusion 77

4 On the Number of Extreme Points of the Core of a Transferable Utility Game 83
BY JEAN DERKS AND JEROEN KUIPERS
4.1 Introduction 83
4.2 Main Results 85
4.3 The Core of a Transferable Utility Game 88
4.4 Strict Exact Games 91
4.5 Concluding Remarks 94

5 Consistency and Potentials in Cooperative TU-Games: Sobolev's Reduced Game Revived 99
BY THEO DRIESSEN
5.1 Introduction 99
5.2 Consistency Property for Solutions that Admit a Potential 102
5.3 Consistency Property for Pseudovalues: a Detailed Exposition 108
5.4 Concluding remarks 116
5.5 Two technical proofs 116

6 On the Set of Equilibria of a Bimatrix Game: a Survey 121
BY MATHIJS JANSEN, PETER JURG, AND DRIES VERMEULEN
6.1 Introduction 121
6.2 Bimatrix Games and Equilibria 124
6.3 Some Observations by Nash 124
6.4 The Approach of Vorobev and Kuhn 126
6.5 The Approach of Mangasarian and Winkels 129
6.6 The Approach of Winkels 131
6.7 The Approach of Jansen 133
6.8 The Approach of Quintas 136
6.9 The Approach of Jurg and Jansen 136
6.10 The Approach of Vermeulen and Jansen 140

7 Concave and Convex Serial Cost Sharing 143
BY MAURICE KOSTER
7.1 Introduction 143
7.2 The Cost Sharing Model 144
7.3 The Convex and the Concave Serial Cost Sharing Rule . . 146

8 Centrality Orderings in Social Networks 157
BY HERMAN MONSUUR AND TON STORCKEN
8.1 Introduction 157
8.2 Examples of Centrality Orderings 159
8.3 Cover Centrality Ordering 164
8.4 Degree Centrality Ordering 168
8.5 Median Centrality Ordering 173
8.6 Independence of the Characterizing Conditions 177

9 The Shapley Transfer Procedure for NTU-Games 183
BY GERT-JAN OTTEN AND HANS PETERS
9.1 Introduction 183
9.2 Main Concepts 185
9.3 Nonemptiness of Transfer Solutions 189
9.4 A Characterization 192
9.5 Applications 195
9.5.1 The Shapley Value 195
9.5.2 The Core 196
9.5.3 The Nucleolus 198
9.5.4 The τ-Value 199
9.6 Concluding Remarks 202

10 The Nucleolus as Equilibrium Price 205
BY JOS POTTERS, HANS REIJNIERSE, AND ANITA VAN GELLEKOM
10.1 Introduction 205
10.2 Preliminaries 207
10.2.1 Economies with Indivisible Goods and Money . . . 208
10.2.2 Preliminaries about TU-Games 209
10.3 Stable Equilibria 210
10.4 The Existence of Price Equilibria: Necessary and Sufficient Conditions 216
10.5 The Nucleolus as Regular Price Vector 218

11 Network Formation, Costs, and Potential Games 223
BY MARCO SLIKKER AND ANNE VAN DEN NOUWELAND
11.1 Introduction 223
11.2 Literature Review 224
11.3 Network Formation Model in Strategic Form 228
11.4 Potential Games 233
11.5 Potential Maximizer 238

12 Contributions to the Theory of Stochastic Games 247
BY FRANK THUIJSMAN AND KOOS VRIEZE
12.1 The Stochastic Game Model 247
12.2 Zero-Sum Stochastic Games 250
12.3 General-Sum Stochastic Games 255

13 Linear (Semi-) Infinite Programs and Cooperative Games 267
BY JUDITH TIMMER AND NATIVIDAD LLORCA
13.1 Introduction 267
13.2 Semi-infinite Programs and Games 268
13.2.1 Flow games 268
13.2.2 Linear Production Games 270
13.2.3 Games Involving Linear Transformation of Products 273
13.3 Infinite Programs and Games 276
13.3.1 Assignment Games 276
13.3.2 Transportation Games 279
13.4 Concluding remarks 283

14 Population Uncertainty and Equilibrium Selection: a Maximum Likelihood Approach 287
BY MARK VOORNEVELD AND HENK NORDE
14.1 Introduction 287
14.2 Preliminaries 289
14.2.1 Topology 289
14.2.2 Measure Theory 290
14.2.3 Game Theory 291
14.3 Games with Population Uncertainty 292
14.4 Maximum Likelihood Equilibria 293
14.5 Measurability 297

14.6 Random Action Sets 299
14.7 Random Games 300
14.8 Robustness Against Randomization 302
14.9 Weakly Strict Equilibria 305
14.10 Approximate Maximum Likelihood Equilibria 308