



MG490AV: GAME THEORY AND COMPETITIVE STRATEGY

UC Davis Graduate School of Management

Professor Victor Stango

Course Description

The highest-stake competitive decisions made by firms are game-theoretic: they involve asking not just “what should I do?” but also “how will my competitors respond to what I do?” questions. And the very best managerial thinking doesn’t just recognize that interdependency: it leverages it, taking forceful, forward-looking decisions that shape competitors’ actions and the very structure of the competitive environment.

This residential course begins by developing new tools for decision-making, and then applies those tools in experiential exercises and cases, yielding fundamental insights for managers in a wide range of competitive settings.

Course Materials

Readings/assignments and pre-work will be available from the online platform before the residential, along with a detailed schedule listing session dates/times and other information.

Course Assignments and Grading

This course is graded on a Satisfactory/Unsatisfactory basis. To pass the course, students must participate in all residential sessions and complete the individual pre-work assignment.

For parts of the residential, you will work in teams: you will receive team assignments prior to the residential.

Class expectations and etiquette

Class expectations are simple: act as you would in any other professional setting. Turn off all cell phones, computer sound, and so on. Be considerate when others are speaking. I understand that you may need to miss class, arrive late or leave early. I would appreciate advance notice of that, and consideration of others when arriving or leaving.

Statement on Accommodation

UC Davis is committed to educational equity in the academic setting, and in serving a diverse student body. All students who are interested in learning about how disabilities are accommodated can visit the [Student Disability Center](#) (SDC). If you are a student who requires

academic accommodations, please contact the SDC directly at sdc@ucdavis.edu or 530-752-3184. If you receive an SDC Letter of Accommodation, submit it to your instructor for each course as soon as possible, at least within the first two weeks of a course.

Rights and Responsibilities

All participants in the course, instructor and students, are expected to follow the UC Davis [Principles of Community](#), which includes affirmation of the right of [freedom of expression](#), and rejection of discrimination. The right to express points-of-view without fear of retaliation or censorship is a cornerstone of academic freedom. A diversity of opinions with respectful disagreement and informed debate enriches learning. However, in this course, any expression or disagreement should adhere to the obligations we have toward each other to build and maintain a climate of mutual respect and caring. You are expected to take UC Davis's [Code of Academic Conduct](#) as seriously as we do. You were given this code of conduct with explicit explanations of violations (e.g. plagiarism, cheating, unauthorized collaboration, etc.) and your responsibilities in regard to them during orientation, and you signed a statement affirming that you understand it. Academic conduct violations will not be tolerated, and your instructor will not hesitate to turn violators over to Student Judicial Affairs. If you are uncertain about what constitutes an academic conduct violation, please refer to the code linked above, contact your instructor, or refer to the [Office of Student Judicial Affairs](#).

Safety and Emergency Preparedness

UC Davis has many resources to help in case of emergency or crisis. While reviewing campus [Emergency Information](#), you may want to register for UC Davis Warn Me and Aggie Alert, which will give you timely information and instructions about emergencies and situations on campus that affect your safety. If there is an emergency in the classroom or in non-Davis locations, follow the instructions of your instructor.

Student Wellness

You deserve respect, and are encouraged to [practice self-care](#) so that you can remain focused and engaged; that might mean getting a drink of water, leaving to use the restroom, taking a moment to stretch, or doing something else you need to do to take care of yourself. Please be respectful of others by minimizing distractions when practicing self-care – especially in lab, field or studio settings where safety is imperative. You can visit [Virtual UC Davis](#) to find resources related to health and well-being, academics, basic needs (food and housing) and more.

Disclaimer

Unexpected events might require elements of this syllabus to change. Your instructor will keep you informed of any changes.

MG490AV: Game Theory and Competitive Strategy

March 8-10, 2024

Organizer: Victor Stango

Friday, 3/8 1:00 pm – 4:00 pm. ***Session 1: The Power of Strategic Thinking***

Readings:

- “Want to Succeed on Wall Street? Learn Poker, Not Economics”
- “Game Theory and Business Strategy”
- “Getting Into Your Competitor’s Head”

Saturday 3/09 9:00 am – 12:00 pm ***Session 2: Competition or Cooperation?***

Readings:

- “Oil Companies’ Predicament: Who Should Cut Production?”
- “The Race to Zero Commissions”
- “Procter & Gamble, in a Strategy Shift, Moves to Raise Prices”
- “Apple Ruling Heaps Doubt on MFN Clauses”

Saturday 3/09 1:00 pm – 4:00 pm ***Session 3: Commitments: How to Change the Game***

Readings:

- “Blockbuster Arthritis Drug Humira Faces Competition From First Lower-Price Copycat in U.S.”
- “Can Hawaiian Airlines Survive Southwest's Entry Into The Hawaii Market?”
- “Frito-Lay Devours Snack-Food Business”
- “Steelmakers Keep Old Plants Idle Despite Surging Prices”

Sunday 3/10 9:00 am – 12:00 pm ***Session 4: Strategy in the Fog of War; Wrapup Discussion***

Readings:

- “To Bluff or Not to Bluff”
 - “Tesla readings” packet
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