### **Recitation 14**

#### Important concepts from lecture

- A **Nash equilibrium** is a choice function from players to strategies such that no one player will benefit from changing their strategy.
- The **social cost** of a given solution (strategy choice function) is the sum of the costs to all players of the resulting game outcome.
- The **price of anarchy** is a metric to compare the social costs of "selfish" play (Nash equilibria) and some form of "cooperation" (the social-cost-optimal solution).
- A consistent hypothesis with respect to a set S of labelled points is any hypothesis that labels every point in S correctly.
- A PAC learning algorithm is one that, for any ε, δ > 0, any distribution D, and any m<sub>0</sub>(ε, δ) training points distributed according to D, has probability at least 1−δ of arriving at a hypothesis whose error with respect to D is at most ε.

# The Only Winning Move

Consider the two-player game where each player, without knowledge of the other's choice, chooses a strategy from  $S = \{0, 1\}$ . Player 1 wins \$100 iff they both choose the same strategy, and Player 2 wins \$100 otherwise.

a) Show that there is no Nash equilibrium.

b) How can we modify S to preserve the nature of the game yet make it so that there will be at least one Nash equilibrium? (Hint: imagine actually playing this game, perhaps repeatedly. How can we make the given model more realistic?)

c) Characterize the set of Nash equilibria after this modification.

# Alg-chemy

In lecture we saw that, if we're given an algorithm that always finds a consistent hypothesis, we can construct a PAC learning algorithm by finding a hypothesis consistent with some  $m_0(\epsilon, \delta)$  points sampled from the input distribution.

Let's try going the other way: given a set S of labelled points, some  $\delta > 0$ , and a PAC learning algorithm A that may not always output a consistent hypothesis, devise a procedure to find a hypothesis that is consistent with S with probability at least  $1 - \delta$ .

#### **Intersection classes**

Let  $C_1$  and  $C_2$  be two concept classes. Define the "intersection class"

 $C = \{ c \mid \exists c_1 \in C_1, c_2 \in C_2. \forall x \in X. c(x) = + \iff c_1(x) = c_2(x) = + \}$ 

which is to say that every concept  $c \in C$  is the intersection of some  $c_1 \in C_1$  and  $c_2 \in C_2$ . Recall that for any set of examples S and any concept class C',  $\pi_{C'}(S)$  is the number of ways of labeling examples in S using concepts from C'. Let  $\pi_{C'}(m)$  be the max of  $\pi_{C'}(S)$  over all m-sized example sets S, and show that  $\pi_C(m) \leq \pi_{C_1}(m) \cdot \pi_{C_2}(m)$ .