

## Section - 2

Ques-1 Give managerial use of game theory?

Ans

Game theory is a theoretical framework for conceiving social situations among competing players. In some respects, game theory is the science of strategy, or at least the optimal decision-making of independent and competing actors in a strategic setting. The key pioneers of game theory were

mathematicians John von Neumann and John Nash, as well as economist Oskar Morgenstern.

The basic of game theory - The focus of game theory is the game, which serves as a model of an interactive situation among rational players. The key to game theory is that one player's payoff is contingent on the strategy implemented by the other player. The game identifies the player's identities, preferences, and available strategies and how these strategies affect the outcome, depending on the model, various other requirements or assumptions may be necessary.