Game Theory Steven Heilman

Please provide complete and well-written solutions to the following exercises.

Due March 8th, in the discussion section.

Homework 8

Exercise 1. Prove the following Lemma from the notes: The set of functions $\{W_S\}_{S\subseteq\{1,\ldots,n\}}$ is an orthonormal basis for the space of functions from $\{-1,1\}^n \to \mathbf{R}$, with respect to the inner product defined in the notes. (When we write $S \subseteq \{1,\ldots,n\}$, we include the empty set \emptyset as a subset of $\{1,\ldots,n\}$.) (Also, for any $x \in \{-1,1\}^n$, $W_S(x) = \prod_{i \in S} x_i$.)

Exercise 2. Let $f: \{-1, 1\}^2 \to \{-1, 1\}$ such that f(x) = 1 for all $x \in \{-1, 1\}^2$. Compute $\widehat{f}(S)$ for all $S \subseteq \{1, 2\}$.

Let $f: \{-1,1\}^3 \to \{-1,1\}$ such that $f(x_1, x_2, x_3) = \text{sign}(x_1 + x_2 + x_3)$ for all $(x_1, x_2, x_3) \in \{-1,1\}^3$. Compute $\widehat{f}(S)$ for all $S \subseteq \{1,2,3\}$. The function f is called a **majority function**.

Exercise 3. Let $f: \{-1,1\}^3 \to \{-1,1\}$ such that $f(x_1,x_2,x_3) = \text{sign}(x_1 + x_2 + x_3)$ for all $(x_1,x_2,x_3) \in \{-1,1\}^3$. In the previous homework, we computed $\widehat{f}(S)$ for all $S \subseteq \{1,2,3\}$. The function f is called a **majority function**. Compute the noise stability of f, for any $\rho \in (-1,1)$.

Let n be a positive odd integer. The majority function for n voters can be written as $f(x_1, \ldots, x_n) = \text{sign}(x_1 + \cdots + x_n)$, where $x_1, \ldots, x_n \in \{-1, 1\}$ and $f: \{-1, 1\}^n \to \{-1, 1\}$. In the limit as $n \to \infty$, the noise stability of the majority function approaches a limiting value. (We implicitly used this fact in stating the Majority is Stablest Theorem.) You will compute this limiting value A in the following way. We have A = 4B - 1, where B is defined below.

Let z_1, z_2 be vectors of unit length in \mathbf{R}^2 . Let $\rho \in (-1, 1)$. Let \cdot denote the standard inner product of vectors in \mathbf{R}^2 . Assume that $z_1 \cdot z_2 = \rho$. Let $C \subseteq \mathbf{R}^2$ be the set such that

$$C = \{(x, y) \in \mathbf{R}^2 : (x, y) \cdot z_1 \ge 0 \text{ and } (x, y) \cdot z_2 \ge 0\}.$$

Then

$$B = \iint_C e^{-(x^2 + y^2)/2} \frac{dxdy}{2\pi}.$$

Compute the value of A. (You should get a relatively simple quantity involving an inverse trigonometric function.)

Exercise 4. Let f denote the majority function for n voters. In class, we showed that $I_i(f) \approx 1/\sqrt{n}$ for all $i \in \{1, ..., n\}$. Explain why we can interpret this calculation as saying: your influence in a majority election is a lot more than 1/n, so you should vote. On the other hand, give reasons why the influence calculation may not accurately reflect your actual influence in a majority election. (If you are thinking of elections in the US, feel free to consider or ignore the electoral college system.)

Exercise 5. Let n be a positive integer. Let $f, g: \{-1,1\}^n \to \{-1,1\}$. Let $a_0, \ldots, a_n, b_0, \ldots, b_n \in \mathbb{R}$. Let $x = (x_1, \ldots, x_n) \in \{-1,1\}^n$. For any $x \in \{-1,1\}^n$, define $L_f(x) = a_0 + \sum_{i=1}^n a_i x_i$, $L_g(x) = b_0 + \sum_{i=1}^n b_i x_i$. Assume that $L_f(x) \neq 0$ and $L_g(x) \neq 0$ for all $x \in \{-1,1\}^n$. Assume also that $f(x) = \text{sign}(L_f(x))$ and $g(x) = \text{sign}(L_g(x))$ for all $x \in \{-1,1\}^n$.

Assume that $\widehat{f}(S) = \widehat{g}(S)$ for all $S \subseteq \{1, ..., n\}$ with $|S| \le 1$. Prove that f = g. (Hint: what does the Plancherel Theorem say about $\langle f, L_f \rangle$? How does this quantity compare to $\langle g, L_f \rangle$? Also, note that $f(x)L_f(x) = |L_f(x)| \ge g(x)L_f(x)$ for any $x \in \{-1, 1\}^n$.)

Exercise 6. Let n be a positive integer. Show that there is a one-to-one correspondence (or a bijection) between the set of functions f where $f: \{-1,1\}^n \to \mathbb{R}$, and the set of functions g where $g: 2^{\{1,2,\dots,n\}} \to \mathbb{R}$. For example, you could identify a subset $S \subseteq \{1,\dots,n\}$ with the element $x = (x_1,\dots,x_n) \in \{-1,1\}^n$ where, for all $i \in \{1,\dots,n\}$, we have $x_i = 1$ if $i \in S$, and $x_i = -1$ if $i \notin S$.

Let $i, j \in \{1, ..., n\}$ and let $x \in \{-1, 1\}^n$. Let $S(x) = \{j \in \{1, ..., n\}: x_j = 1\}$. Using this one-to-one correspondence, show that the i^{th} Shapley value of $f: \{-1, 1\}^n \to \{-1, 1\}$ can be written as

$$\phi_i(f) = \sum_{x \in \{-1,1\}^n : x_i = -1} \frac{|S(x)|!(n - |S(x)| - 1)!}{n!} (f(x_1, \dots, x_{i-1}, 1, x_{i+1}, \dots, x_n) - f(x)).$$

So, $\phi_i(f)$ is similar to, but distinct from, $I_i(f)$.

Exercise 7. Let $f: \{-1,1\}^n \to \{-1,1\}$. Assume that $\widehat{f}(S) = 0$ whenever $S \subseteq \{1,\ldots,n\}$ and $|S| \neq 1$. Show that there exists $i \in \{1,\ldots,n\}$ such that $f(x) = f(x_1,\ldots,x_n) = x_i$ for all $x \in \{-1,1\}^n$, or $f(x) = -x_i$ for all $x \in \{-1,1\}^n$. (This exercise therefore completes the proof of Arrow's Theorem.)