Repeated Games of Incomplete Information: Zero-Sum

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Abstract

This chapter and the next apply the framework of repeated games, developed in the previous chapter, to games of incomplete information. The aim of this combination is to analyze the strategic aspects of information: When and at what rate to reveal information? When and how should information be concealed? What resources should be allocated to acquiring information? Repeated games provide the natural paradigm for dealing with these dynamic aspects of information. The repetitions of the game serve as a signaling mechanism which is the channel through which information is transmitted from one period to another.