1. (5 points) Consider the following game in normal form, where player 1’s possible actions are X and Y and Player 2’s possible actions are Z and W.

<table>
<thead>
<tr>
<th></th>
<th>Z</th>
<th>W</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>1, 1</td>
<td>5, -1</td>
</tr>
<tr>
<td>Y</td>
<td>-1, 2</td>
<td>3, 5</td>
</tr>
</tbody>
</table>

(a) (2 points) Is there a dominant action for player 1? For player 2?
(b) (1 point) Are there any outcomes that are Pareto-dominated?
(c) (2 points) Change at most three payoff entries in the table above such that the outcome (Y,W) becomes an equilibrium in dominant actions.

2. (5 points) Read the article “How Dwindling Fish Stocks Got a Reprieve” posted on the course page. Answer the following questions in one or two sentences.
   a. List three “players” who play(ed) an important role in the fish stock situation described in the article.
   b. Why did the levels of fish population drop in many parts of the world?
   c. Why was the earlier legislation in the U.S. not effective in preventing over-fishing?
   d. What are some of the factors that contributed to the success of the new legislation?
   e. How did “catch share” help align the incentives of the fisherman with the broader goal of preserving and rebuilding fish stocks?