1. Two Hospitals are reviewing their market plans. They have to decide which types of specialties they will offer. They recognize that the competing hospital’s actions will affect their business. As a result, each hospital has developed the following matrix provided the available market information.

The following matrix depicts the payoffs to these two stores, when they develop different combination of appeals toward different specialties. This is an oligopoly market with full information.

 **Hospital 2**

General MRI Sports Medicine Heart Transplant

General MRI  = 0 = 0  = 1 = 2  = 2 = 1

**Hospital 1**

Sports Medicine  = 4 = 2  = 2 = 3  = 4 = 2

Heart Transplant  = 5 = 1  = 3 = 2  = 3 = 0

a. Given the attached matrix, which choice would each Firm make?