

Once again, Juan and Tootsie are bidding in a dollar auction. (Apparently, they're addicted!) This time, they've upped the stakes, both figuratively and literally. They're bidding on \$50, they each have \$75 to spend, *and* they can only bid in increments of \$25.

1. What are the units?
2. Express the bankroll and the stakes in terms of the units.
3. Draw the game-tree, and label the payoffs, if Juan goes first.
4. Analyze the game-tree to decide what Juan's opening bid should be, if both players are following the conservative convention.
5. If you have time, re-draw the tree, and analyze the game-tree to decide what Juan's opening bid should be, if both players are following the punishing convention.