

Exercises for CIVIL-455 Transportation economics: Congestion Game

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Q1 Consider a four-link network as shown in Figure 1.

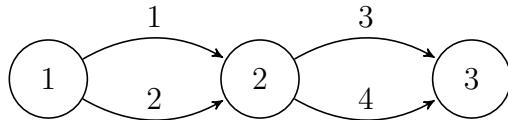


Figure 1: A four-link network

(a) Find the user equilibrium link flow and travel time for the network, where

$$\begin{aligned}t_1 &= 2 + x_1^2 \\t_2 &= 3 + x_2 \\t_3 &= 1 + 2x_3^2 \\t_4 &= 2 + 4x_4\end{aligned}$$

The OD demand is 4 units of flow between nodes 1 and 3.

(b) Find the SO flow pattern for the network. Compare it to the UE flow pattern.

(c) Does the SO have a unique solution in terms of path flows? Explain your answer.

Q2 Recall the Cournot competition example with Uber and Lyft. Consider the following scenario: Uber decreases marginal cost by 33.3%

(a) Answer the following questions: What is the effect of the decrease in marginal cost of Uber on:

- Market share of both firms
- Equilibrium price

- Total supply
- Profit of either firm

(b) How would your answer change if competition is according to Bertrand?