

Contents

		<u>Page</u>
1	POSITION, PURPOSE, PLAN	1
	Purpose	3
	Plan	4
2	DECISIONS UNDER UNCERTAINTY	5
	Formal Statement of the Problem	5
	Optimal Action and Dominance Between Actions	7
	Utility	10
	Personal Probability	12
	Analysis of Dominance Given Imprecise Probability Measures	16
	Conclusion	24
3	AN INDIFFERENCE METHOD FOR ANALYSIS OF DOMINANCE	26
	Definition of the Indifference Method	26
	Numerical Illustration	29
	Conclusion and Comments	32
	Appendix	39
4	A STUDY OF THE RELATIVE CONFIDENCE IN ASSESS- MENTS OF INDIFFERENCE VALUES	41
	A Few Key Terms	41
	Useful Methods and the Confidence in Probability Assessments	42

	<u>Page</u>
Confidence and Precision in Probability Estimates	44
The Meaning of Confidence: Assumptions	46
The Relative Confidence in Indifference Estimates: Propositions	50
General Information About the Empirical Study	53
Analysis of the Empirical Results	62
Conclusion	75
Appendix	77
5 DETERMINING THE SIZE OF MAGAZINE EDITIONS: A REAL-LIFE APPLICATION OF FORMAL ANALYSIS OF DECISIONS AND THE INDIFFERENCE METHOD	79
Background	79
Intuitive Approach	81
Suggested Model	83
Used Methods for the Test	87
Analysis and Discussion of the Perceived Usefulness of the Suggested Approach	93
A Few General Observations on Applying Formal Models to Real-Life	108
Conclusion	114
Epilogue	115
6 SUMMARY AND FUTURE RESEARCH	116
Summary	116
Future Research	119
REFERENCES	123