

- (2) Give an example (different from the one given in the lecture!) of a decision problem in which the probabilities of the relevant states of nature are unknown and in which the rules of INDIFFERENCE and MAXIMIN would yield different recommendations. Provide (i) an informal description of the situation, (ii) a decision table with numerical values for the payoffs associated with the act/state pairs and (iii) the relevant calculations/considerations that show that the recommendations of the two rules would be different.

Group discussion (ctd)

(3) Without making any calculations, just off the bat, which of the two following gambles would you initially be inclined to choose?

- Gamble 1: Get \$10M for sure
- Gamble 2: Get \$10M with 89% probability, \$50M with 10% probability, or \$0 with 1% probability

And what about if the choice was between the following?

- Gamble 3: Get \$10M with 11% probability, or \$0 with 89% probability
- Gamble 4: Get \$50M with 10% probability, or \$0 with 90% probability

Explain your reasoning as clearly as you possibly can, in your own words.

Are your choices in line with the recommendation that one should choose the act that maximises expected value? *Justify your answer* with a quick calculation.

Next week

- Topic: Rational belief and practical interests - Clifford vs James + The Limits of Knowledge, Part I
- Required reading:
 - Pojman, L. & M. Rea 2008. *The Philosophy of Religion: an anthology* (5th Edition). Thomson Wadsworth. Section VIIa 'The Pragmatic Justification of Religious Belief': sections VIIA.2 'The Ethics of Belief' and VIIA.3 'The Will to Believe', pp. 366–379.
 - Pritchard, D. *WTK*, Ch. 13, except final section titled 'Contextualism'.