EXTRA PROBLEM 11:
SENSTIVITY ANALYSIS

Consider the following decision tree:

PROFIT

Option A

Outcome 1
(p)
20,000

Outcome 2
(q)
2,000

Outcome 3
(0.2)
-8,000

Option B

Outcome 1
(p)
8,000

Outcome 2
(q)
6,000

Outcome 3
(0.2)
-2,000

Option C
5,000
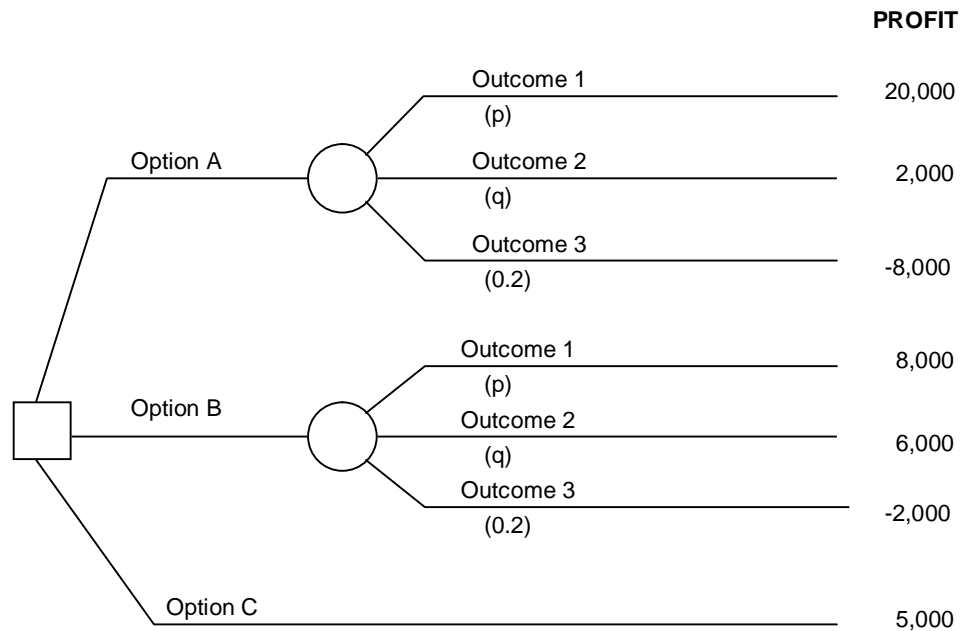
A. Draw a strategy region diagram for the ranges $0 \leq p \leq 1$ and $0 \leq q \leq 1$.

B. When pressed the decision maker is sure that $0.3 \leq p \leq 0.7$, $0.1 \leq q \leq 0.4$. Can he/she make a decision?