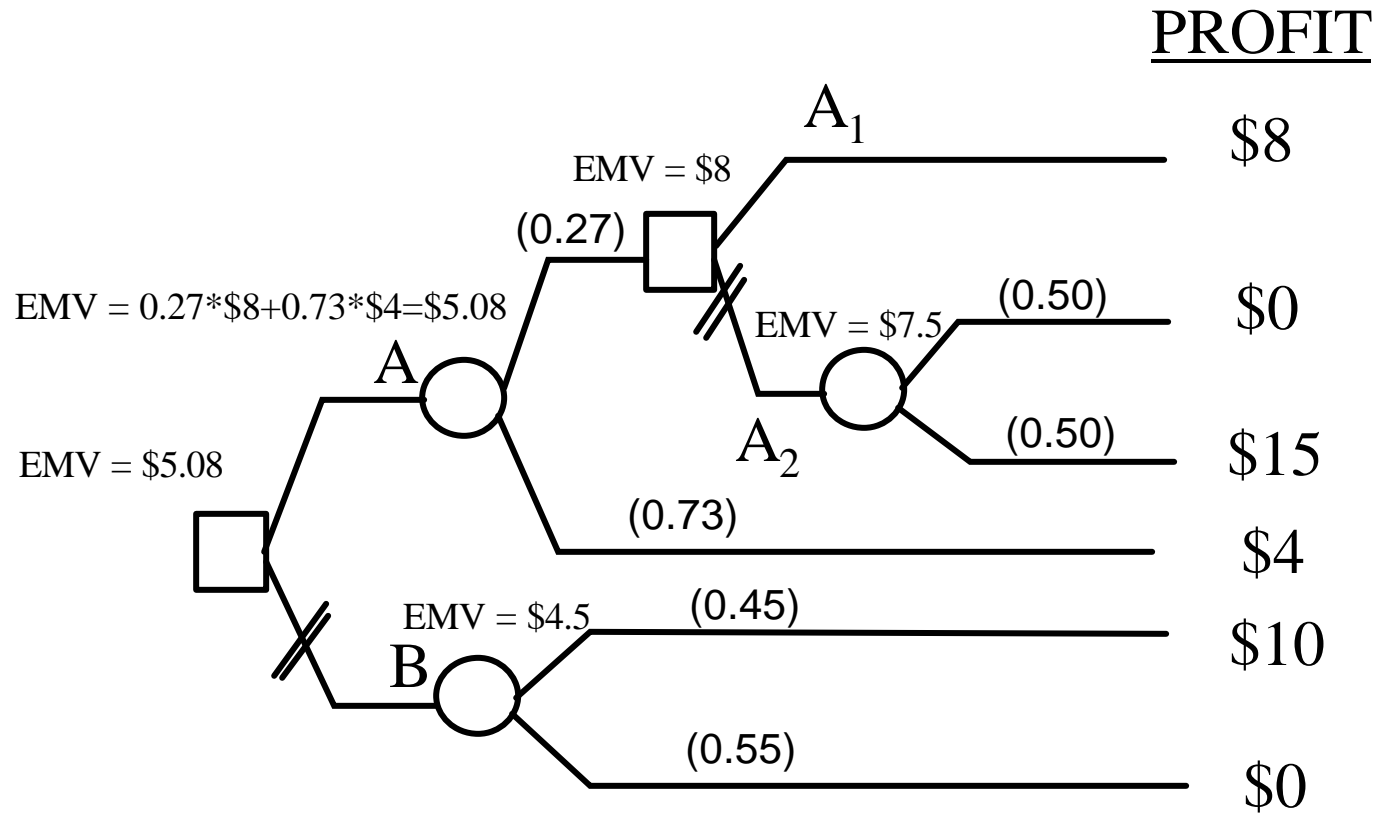


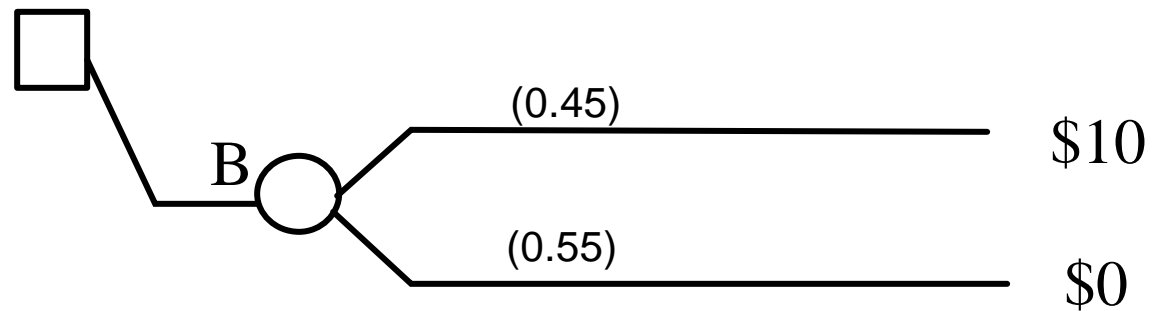
# QUESTION 4.8



# QUESTION 4.9

Strategy 1

PROFIT



$$\Pr(\text{Profit}=\$ 0)=0.55$$

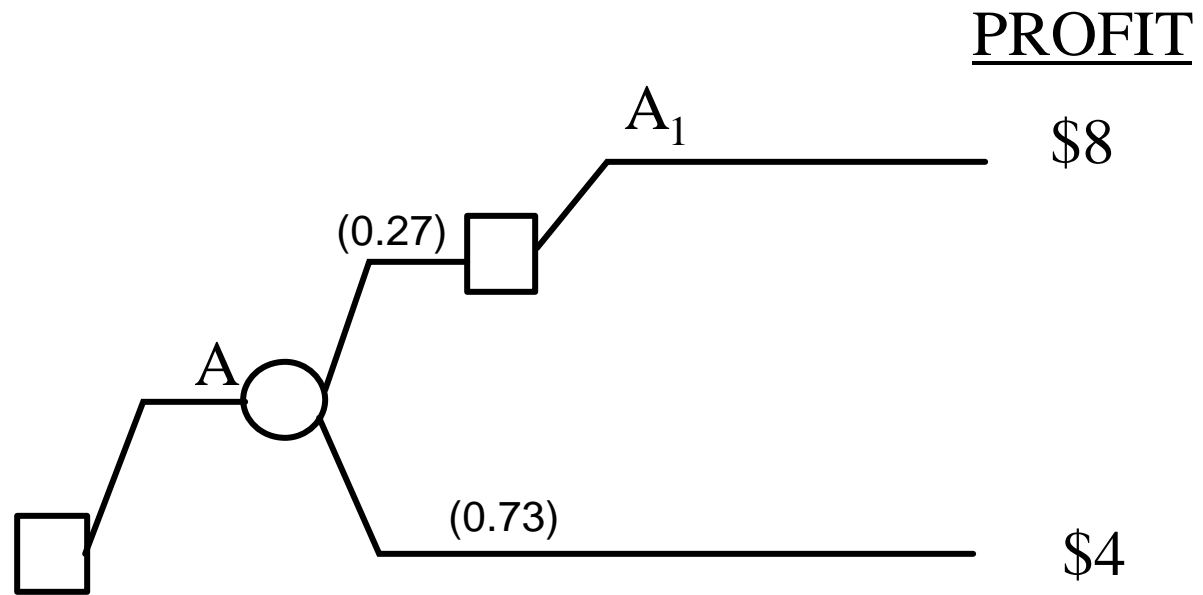
$$\Pr(\text{Profit} \leq \$ 0)=0.55$$

$$\Pr(\text{Profit}=\$10)=0.45$$

$$\Pr(\text{Profit} \leq \$10)=1.00$$

# QUESTION 4.9

## Strategy 2



$$\Pr(\text{Profit}=\$ 4)=0.73$$

$$\Pr(\text{Profit} \leq \$ 4)=0.73$$

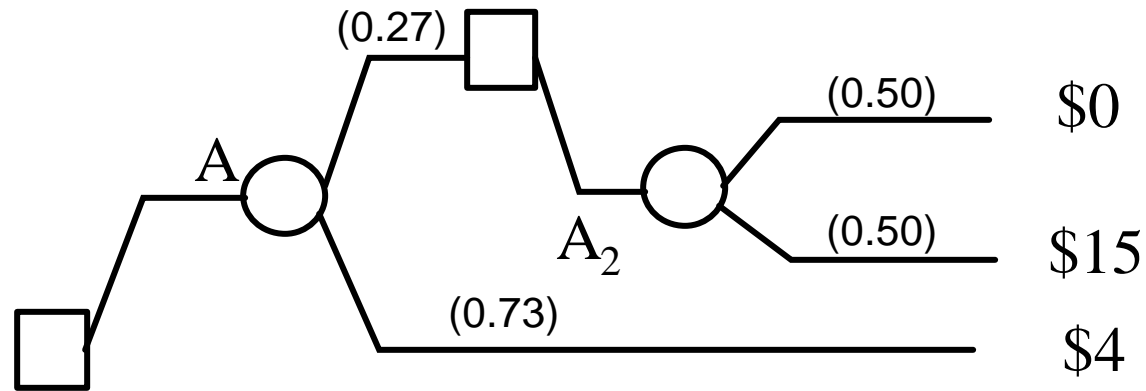
$$\Pr(\text{Profit}=\$ 8) = 0.27$$

$$\Pr(\text{Profit} \leq \$ 8)=1.00$$

# QUESTION 4.9

## Strategy 3

PROFIT



$$\Pr(\text{Profit}=\$ 0)=0.50*0.27=0.135$$

$$\Pr(\text{Profit} \leq \$ 0) = 0.135$$

$$\Pr(\text{Profit}=\$ 4)=0.73$$

$$\Pr(\text{Profit} \leq \$ 4) = 0.865$$

$$\Pr(\text{Profit}=\$15) )=0.50*0.27=0.135$$

$$\Pr(\text{Profit} \leq \$15) = 1.00$$

