## ECONOMICS 106 - DECISION MAKING Professor Giacomo Bonanno

## HOMEWORK \# 1 ANSWERS

(a) The utility function is as follows:

| $z_{1}$ | $z_{2}$ | $z_{3}$ | $z_{4}$ | $z_{5}$ | $z_{6}$ | $z_{7}$ | $z_{8}$ | $z_{9}$ | $z_{10}$ | $z_{11}$ | $z_{12}$ | $z_{13}$ | $z_{14}$ | $z_{15}$ | $z_{16}$ | $z_{17}$ | $z_{18}$ |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| 4 | 6 | 3 | 1 | 7 | 6 | 9 | 4 | 10 | 8 | 2 | 2 | 9 | 5 | 10 | 9 | 6 | 4 |

(b)

(c) It is neither the case that $a_{1}$ dominates $a_{2}$ nor the case that $a_{2}$ dominates $a_{1}$. It is neither the case that $a_{1}$ dominates $a_{3}$ nor the case that $a_{3}$ dominates $a_{1}$. $a_{3}$ weakly dominates $a_{2}$, but the converse is not true.
(d) The lowest utility from $a_{1}$ is 1 , the lowest utility from $a_{2}$ is 2 and the lowest utility from $a_{3}$ is 4. Thus the Maximin solution is $a_{3}$.

Maximin of this problem is $a_{2}$.

