

Chapter 7 – Probability and inductive reasoning

Getting familiar with... cost/benefit analyses

For each of the following, construct a cost/benefit analysis and identify the best decision. (Make up values where you need to.)

1. You have to decide whether to start dating your best friend.
2. You have to decide whether to take a job in a country with an unstable political environment, though it pays better than any job in your home country.
3. You have to decide whether to sell a new product that causes blindness in 1% of users.
4. You have to decide whether to join a Mars exploration team knowing that you will never be able to return to Earth.
5. You have to decide between looking for work after college or taking a year off after college to backpack the Appalachian Trail (which takes between 4 and 7 months).