



Operations Research Seminar

The Utility of Chance

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Motivated by a practical problem in reliability, I became interested in the general question of what kind of function would encapsulate one's utility of chance, where chance is not to be taken as being synonymous with probability, and how to elicit such a utility function. I then propose a binary choice model based on the Rasch Model of item response theory to elicit utilities and develop inferential procedures for the parameters of this model. This in turn enables me to assess the utility function. I illustrate my approach via a real live military example.

Date: Thursday, August 7, 2008

Time: 15:00-16:00

Location: GL-115