

25 I of F - favorable, manufacture versus purchase

| c. State of Nature | $P(A_j)$   | $P(F A_j)$ | $P(F \cap A_j)$ | $P(A_j F)$ |
|--------------------|------------|------------|-----------------|------------|
| $A_1$              | 0.35       | 0.10       | 0.035           | 0.0986     |
| $A_2$              | 0.35       | 0.40       | 0.140           | 0.3944     |
| $A_3$              | 0.30       | 0.60       | 0.180           | 0.5070     |
|                    | <u>1.0</u> |            | $P(F) = 0.355$  | <u>1.0</u> |

Prob. of favorable results from market study

I of U - unfavorable,

| State of Nature | $P(A_j)$ | $P(U A_j)$ | $P(U \cap A_j)$ | $P(A_j U)$ |
|-----------------|----------|------------|-----------------|------------|
| $S_1$           | 0.35     | 0.90       | 0.315           | 0.4884     |
| $S_2$           | 0.35     | 0.60       | 0.210           | 0.3256     |
| $S_3$           | 0.30     | 0.40       | 0.120           | 0.1860     |
|                 |          |            | $P(U) = 0.645$  | <u>1.0</u> |

d.