

1. Record Nr.	UNINA9910780817603321
Autore	Binmore K. G. <1940->
Titolo	Rational decisions [[electronic resource] /] / Ken Binmore
Pubbl/distr/stampa	Princeton, N.J., : Princeton University Press, c2009
ISBN	0-691-13074-4 9786612457944 1-282-45794-2 1-282-93600-X 9786612936005
Edizione	[Course Book]
Descrizione fisica	1 online resource (214 p.)
Collana	The Gorman lectures in economics
Disciplina	519.542
Soggetti	Bayesian statistical decision theory Statistical decision
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	Description based upon print version of record.
Nota di bibliografia	Includes bibliographical references and index.
Nota di contenuto	Frontmatter -- Contents -- Preface -- 1. Revealed Preference -- 2. Game Theory -- 3. Risk -- 4. Utilitarianism -- 5. Classical Probability -- 6. Frequency -- 7. Bayesian Decision Theory -- 8. Epistemology -- 9. Large Worlds -- 10. Mathematical Notes -- References -- Index -- Backmatter
Sommario/riassunto	It is widely held that Bayesian decision theory is the final word on how a rational person should make decisions. However, Leonard Savage--the inventor of Bayesian decision theory--argued that it would be ridiculous to use his theory outside the kind of small world in which it is always possible to "look before you leap." If taken seriously, this view makes Bayesian decision theory inappropriate for the large worlds of scientific discovery and macroeconomic enterprise. When is it correct to use Bayesian decision theory--and when does it need to be modified? Using a minimum of mathematics, Rational Decisions clearly explains the foundations of Bayesian decision theory and shows why Savage restricted the theory's application to small worlds. The book is a wide-ranging exploration of standard theories of choice and belief under risk and uncertainty. Ken Binmore discusses the various philosophical attitudes related to the nature of probability and offers resolutions to

paradoxes believed to hinder further progress. In arguing that the Bayesian approach to knowledge is inadequate in a large world, Binmore proposes an extension to Bayesian decision theory--allowing the idea of a mixed strategy in game theory to be expanded to a larger set of what Binmore refers to as "muddled" strategies. Written by one of the world's leading game theorists, Rational Decisions is the touchstone for anyone needing a concise, accessible, and expert view on Bayesian decision making.
