

**Dear student,**

Decision making under uncertainty is explained in simple steps below which would also be helpful for you.

**Maximin: (Maximum of the minimum values)**

- Select the worst payoff for each alternative (identify minimum value of each alternative)
- Choose the best of this worst alternative (Choose the maximum value from the minimum value of all alternatives)

**Maximax: (Maximum of the maximum values)**

- Select the best possible outcome of each alternative
- Choose the maximum of the maximum values of alternatives.

**Laplace: (Average payoff of alternatives)**

- Determine the average payoff of each alternative
- Select the maximum of the identified average values.

**Minimax Regret: (Worst regret for each alternative)**

- Determine the Worst regret for each alternative. Construct the Table of Opportunity Losses or Regrets. Subtract the column entries by subtracting the entry from that of the highest column value
- Identify the maximum possible regrets with each alternative.
- Choose the alternative which has minimum regret associated with it.

***GOOD LUCK!***