Assignment #8

READ:

Read Thompson’s Chapter 6: *Judgment and Decision Making: Deciding Among Sure Things and Risky Projects* pp. 80-83. This is a rather short and sketchy introduction to prescriptive decision making under certainty when the consequence of a choice is composed of two or more attributes. Time and cost, deaths and fatalities, cash flow now and cash flow one year from now are three examples. When consequences are multi-attributed and your preferences among consequences cannot be represented as an additive function of each individual attribute (attributes must be preferentially independent for this to obtain), it becomes more difficult to discover tradeoffs that create value.

PREPARE:

You are either Bobbi Barker’s representative or Bradley & Hurley’s representative. There is no general information for this case. Prior to negotiation you will receive confidential information about your preferences for outcomes of the negotiation.

DO:

This negotiation will be conducted in class and will end after 60 minutes. At the conclusion of your negotiation, submit the last page of the Bobbi-Barker or of the Bradley-Hurley information sheet with details of your negotiated agreement displayed on it.

Questions to think about:

1. Suppose payoffs for two or more issues are not separable (the payoff for one issue at a given resolution depends on the *level* of payoff for another issue).
2. How does this affect your negotiating tactics?
3. How might you tease out information about your counterpart’s preferences and possible joint gains in such situations?