

TABLE F.2: Pegasus Textile Payoff Matrix for Maximin Criterion

	STATE OF NATURE		
DECISION ALTERNATIVE	LOW DEMAND	HIGH DEMAND	MINIMUM PAYOFF
Expand factory	\$3 million	\$4 million	\$3 million
Build small factory	\$2.5 million	\$5 million	\$2.5 million
Build large factory	−\$4 million	\$10 million	−\$4 million