

TABLE F.3: Pegasus Textile Payoff Matrix for Maximax Criterion

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