

TABLE F.4: Pegasus Textile Payoff Matrix for the Hurwicz Criterion

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