PROBLEM SET 4 due Thursday, February 20th in class (or in my mailbox/by e-mail beforehand)

RATIONAL CHOICE

Exercise 1 (50 pts.) Pick one of the following topics: the Paradox of Voting, the Ellsberg Paradox, the St. Petersburg Paradox, "Stuck in Hell", or the Sleeping Beauty Puzzle.

Do the following, in three typed, double-spaced paragraphs.

- (i) The topic you've chosen raises a question about, or challenge to, our understanding of rational choice or rational belief change. *Explain very carefully what the problem is.* (There is some leeway here, but there are definitely wrong answers, so be precise!)
- (ii) Briefly explain what you think the best way to resolve the puzzle or challenge is. Justify your answer.
- (iii) Raise the *strongest* objection to, or concern with, your resolution that you can think of. You will lose points if I think you haven't been sufficiently reflective. (Note, you do not need to *address* the objection here, I just want you to flag the biggest worry.)

[You may not work with anyone else on this problem set. You may not even discuss it. You may, but of course need not, use outside sources in doing it. If you do, you *must cite any sources you used* and you must flag ideas which are not yours if you make use of them. If you violate any of these constraints, your work will be taken to constitute plagiarism and treated accordingly.]