

Decision Trees

- * A decision tree is an oriented tree that represents a decision process.
- * The nodes designate points in time where
 - i) one or another decision must be made by the decision maker
 - ii) the decision maker is faced with one or another state of nature
 - iii) the process terminates
- * Directed out of each node
 - i) a branch for each possible decision
 - ii) a branch for each state of nature.
- * Under each branch the probability of the corresponding event is written, when defined.