- a) 5 states: $K = \{1, 2a, 2b, 3, 4\}$ 3 actions: $A = \{a, b, c\}$ 4 observations: $Z = \{1, 2, 3, 4\}$

c)
$$b_{t} = \begin{bmatrix} 0 & 0.5 & 0.5 & 0 & 0 \end{bmatrix}$$

$$b_{t+1} = b_{t} P_{0} = \begin{bmatrix} 0 & 0 & 0 & 0.5 & 0.5 \end{bmatrix}$$

$$b_{t+1} = b_{t} P_{b} = \begin{bmatrix} 1 & 0 & 0 & 0 & 0 \end{bmatrix}$$