

## Horse-race betting

- ▶ You go to the horse races with one dollar  $b_0 = 1$
- ▶  $m$  horses compete in each race.
- ▶ Before each race, the odds for each horse are announced:  
 $o_t(1), \dots, o_t(m)$  (arbitrary positive numbers)
- ▶ You have to divide *all* your money among the different horses.  $\sum_{j=1}^t \hat{p}_t(j) = 1$