

# Project Epsilon progress report

## The Neural Basis of Loss Aversion in Decision-Making Under Risk

Jo, Min Gu  
mingujo

Kaam, Soazig  
soazig

Li, Zhuangdi  
lizhua

Yu, Timothy  
timothy1191xa

Zhi, Ye  
ye-zhi

November 13, 2015

## 1 Introduction

The study *Neural Basis of Loss Aversion in Decision-Making Under Risk* [1] focuses on decision-making process, especially on the correlation between the neural activity and the reluctance to lose. 16 people were presented 255 gambling situations with a 50% of success. Each situation was associated with a potential gain and loss that were randomly selected. The gains were ranging from \$10 to \$40 while the losses from \$5 to \$20. The participants were asked to assess their level of willingness to accept or reject the gamble using a 4-point likert scale [1: strongly accept, 2: weakly accept, 3: weakly reject, 4:strongly reject]. The response time was also recorded for each case. The imaging data were collected using the fMRI method. They were processed and analyzed in order to identify the regions of the brain activated by the decision making process. This study also investigated the relationship between the brain activity and the behavior of the subjects towards the gambling situations using a whole-brain robust regression analysis.

## 2 The data

The data we are using can be found on the OpenfMRI website at the following address: <https://www.openfmri.org/dataset/ds000005>, the dsnum is ds005. For our project, we are specifically using the behavior data and the BOLD data that are organized.

For each of runs per subject (3), the behavior data contains the timestamp of each survey question (onset), the gain/loss combinations (gain and loss), the response for the particular trial (respnum) from the 4-point likert scale. The researcher created a response category (respcat) to be used in their binary choice model that combines the “reject” answers together on one hand and the “accept” answers together on the other hand. BOLD data contains compressed 4-dimensional brain images for each subject’s run. The folder also comport Quality Assurance (QA) files and a report.

## 3 Our Work

### 3.1 Initial work

First, we downloaded the data and used the checksums.txt to validate. However, there was one issue that downloading checksum.txt can also be distorted to validate the data. After exploring the structure of data folder, we did some data fetching and preprocessing procedures. For behavior data, we wrote a function to merge three runs for each subject since we would like to look at the total observations within one subject. Also we noticed that in the data set of each run, there existed observations with “-1” in “respcat”, which was meaningless and might be an error during the experiment so we took them out. For bold data, we also wrote a function to unzip all nii.gz files for further analysis.

## 3.2 Behavior Data

We did some explanatory data analysis and regression analysis using behavior data. For explanatory data analysis, we generated some summary statistics, including correlation among variables and simple plots to better understand the behavior. And then we used regression analysis to mainly answer two scientific questions. The scientific questions that we have are:

- If gain/loss would be significant for individuals who choose to participate and how much time it would take for them to respond.
- If gain/loss would be significant for whether individuals would like to participate in the gamble.

### 3.2.1 Linear regression

To answer the first question, we built three linear regression models.

1. Response Time  $\sim$  gain + loss
2. Response Time  $\sim$  diff(gain-loss)
3. Response Time  $\sim$  ratio(gain/loss)

#### Result

We use the result for one subject to explain our findings. In the first model, p value for the predictor loss is 0.002644 while p value for the predictor gain is 0.547262. Basically, we can conclude that people would actually care more about loss than gain. In the second model, p value for the predictor difference is 0.413985. It turns out that we can conclude that the difference between gain and loss wouldn't be a factor for how much time it would take for a individual to respond. In the third model, p value for the predictor ratio is extremely small, showing that ratio has a huge impact on individuals' response time.

### 3.2.2 Logistic regression

To answer the second question, we fit logistic regression between Accept/Reject Gamble and gain/loss. According to our analysis, the decision to whether take the gamble of most of subjects, in general, is more affected by loss amount rather than by gain amount. For example, below is the analysis on the subject 3. The regression line shows that it well follows the border between the two decisions: 1 (gamble) and 0 (not gamble). Right side of the line illustrates the decision to not gamble and it takes up more area relative to the opposite decision.



Figure 1: Logistic Regression for Subject 3

## 4 Our Process

### 4.1 Challenges

One of the biggest challenges was to understand the paper and the fMRI data. Especially in our case given that we want to make a literature review in order to find the proper parameters (especially the shape parameter) of the Gamma function used to model the hemodynamic response. As mentioned before, we also had difficulties with the workflow on git and version control management, especially with the branch management and Travis checks. Consequently, our code review process was not working well. As a team, because of our conflicting schedules, we had difficulties to meet at 5. Besides the class time, we were eventually able to set up a weekly meeting. The rest of the communication was done via emails essentially or on the GitHub platform.

### 4.2 Improving reproducibility

In order to be successful, we will need to improve the reproducibility of our project. For that, we need to work on adopting a systematic approach for code organization following the combo: functions - scripts - tests, and also our code syntax following python guidelines (PEP 0008). We also need to work on our code review process. We also need to generate the supporting documentation to improve the usability of our project. We also would like to exchange with other groups working on the same study in order to complement our understanding of the data and analysis.

## 5 Feedback on the class

Here are a few feedback we have for the class:

- We appreciate the model with 3 (or 4) supervisors having their own expertise.

- We would like more exposure to machine learning.
- The lectures on git workflow and collaboration were very useful but fast-paced.
- The lecture on linear algebra was a good refresher but a little bit too theoretical for this project-based class.
- We would like more linear regressions course focusing on the implementation.

We also have a ideas of improvement for the class:

- We propose to support the lecture with slides or handouts with the fundamentals (e.g. git) command for collaborative work) we can refer to after class.
- We propose to provide a support document with the most used statistics definitions for a good analysis design and interpretation of our data.

## References

- [1] S. M. TOM, C. R. FOX, C. TREPEL, AND R. A. POLDRACK, *The neural basis of loss aversion in decision-making under risk*, Science, 315 (2007), pp. 515–518.