This handout includes space for every question that requires a written response. Please feel free to use it to handwrite your solutions (legibly, please). If you choose to typeset your solutions, the README.md for this assignment includes instructions to regenerate this handout with your typeset LATEX solutions.

### 1.a

## Initialization (Iteration 0)

- V(-2) = 0 (Terminal State)
- V(-1) = 0
- V(0) = 0
- V(1) = 0
- V(2) = 0 (Terminal State)

### Iteration 1

Using the Bellman equation for value iteration, V(s) values are calculated as:

For state -1:

$$V(-1) = \max(0.2 \times (-5+0) + 0.8 \times (20+0), 0.3 \times (-5+0) + 0.7 \times (20+0))$$
 
$$V(-1) = \max(16, 13.5)$$
 
$$V(-1) = 16$$

For state 0:

$$V(0) = \max(0.2 \times (-5+0) + 0.8 \times (-5+0), 0.3 \times (-5+0) + 0.7 \times (-5+0))$$
 
$$V(0) = \max(-5, -5)$$
 
$$V(0) = -5$$

For state 1:

$$V(1) = \max(0.2 \times (100+0) + 0.8 \times (-5+0), 0.3 \times (100+0) + 0.7 \times (-5+0))$$
$$V(1) = \max(16, 26.5)$$
$$V(1) = 26.5$$

### Iteration 2

For state -1:

$$V(-1) = \max(0.2 \times (-5 + -5) + 0.8 \times (20 + 0), 0.3 \times (-5 + -5) + 0.7 \times (20 + 0))$$
 
$$V(-1) = \max(14, 11)$$
 
$$V(-1) = 14$$

For state 0:

$$V(0) = \max(0.2 \times (-5 + 26.5) + 0.8 \times (-5 + 16), 0.3 \times (-5 + 26.5) + 0.7 \times (-5 + 16))$$
$$V(0) = \max(13.1, 14.15)$$

$$V(0) = 14.15$$

For state 1:

$$V(1) = \max(0.2 \times (100 + 0) + 0.8 \times (-5 + -5), 0.3 \times (100 + 0) + 0.7 \times (-5 + -5))$$
$$V(1) = \max(12, 23)$$
$$V(1) = 23$$

## **Summary**

### After Iteration 0:

- V(-2) = 0
- V(-1) = 0
- V(0) = 0
- V(1) = 0
- V(2) = 0

#### After Iteration 1:

- V(-2) = 0
- V(-1) = 16
- V(0) = -5
- V(1) = 26.5
- V(2) = 0

#### After Iteration 2:

- V(-2) = 0
- V(-1) = 14
- V(0) = 14.15
- V(1) = 23
- V(2) = 0

# 1.b

- $\bullet$  S(-1): the best policy is take A(-1), which will have  $V_{\mathrm{opt}}(-1)=14$
- $\bullet~S(0):$  the best policy is take A(1), which will have  $V_{\mathrm{opt}}(0)=14.15$
- $\bullet~S(1):$  the best policy is take A(1), which will have  $V_{\rm opt}(0)=23$

2.a

4.b

4.d

5.a

5.b

5.c

5.d