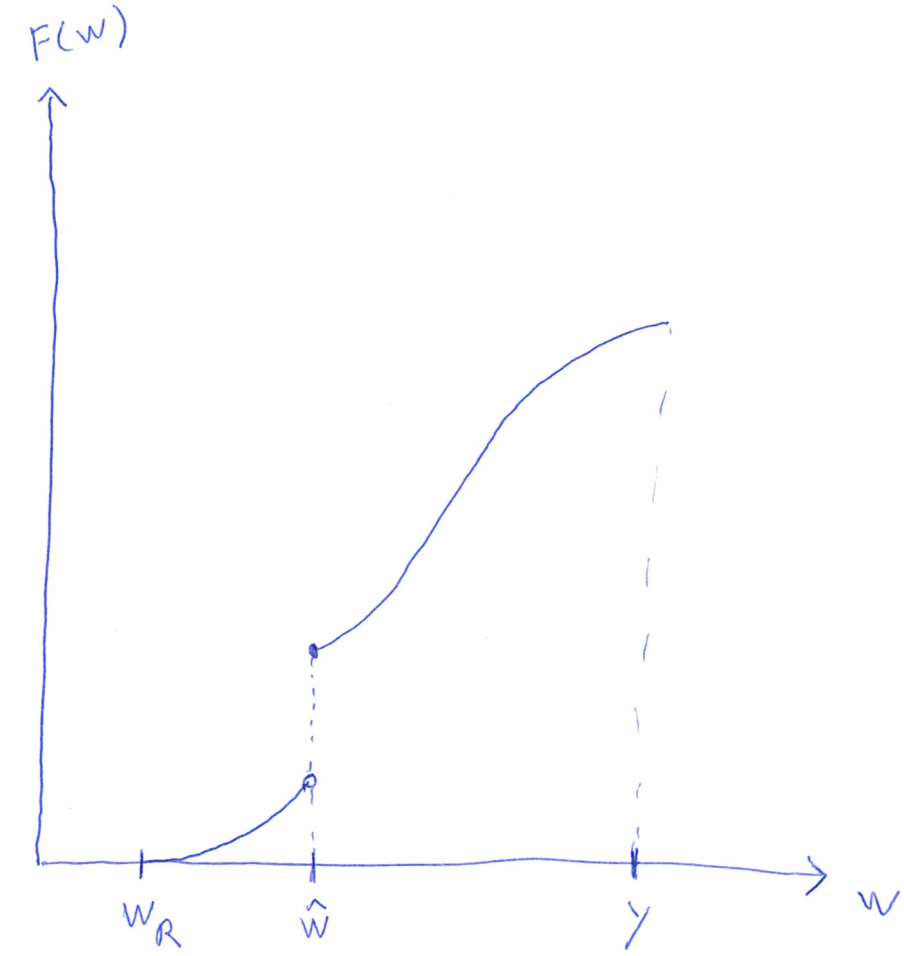
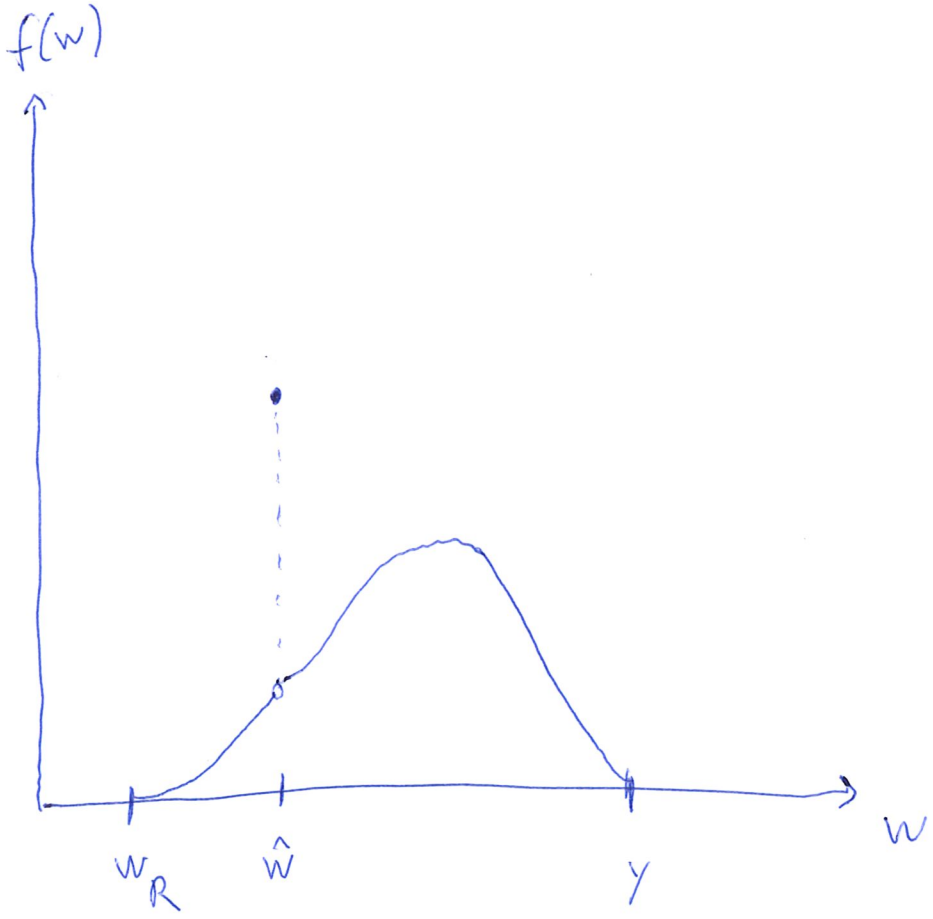
Slide 26





(2)

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$$I(\hat{w}) = \frac{H(w_R)}{(1 + k_e(1 - F(\hat{w})))(1 + k_e(1 - F(\hat{w}) + v_1(\hat{w})))}$$

$$= \frac{H(w_R)}{(1 + k_e(1 - F(\hat{w})))^2 \left(1 + \frac{v_1(\hat{w})}{1 - F(w}\right.}$$

$$= \frac{H(w_R)}{(1 + k_e(1 - F(\hat{w})))^2 \left(1 + \underbrace{v_1(\hat{w}) / (1 + k_e(1 - F(\hat{w})))}_{>0}\right)}$$

$$I(\hat{w}^+) = \frac{H(w_R)}{(1 + k_e(1 - F(\hat{w})))^2}$$

$$\Rightarrow \quad I(\hat{w}^+) = I(\hat{w}) + v_2(\hat{w})$$