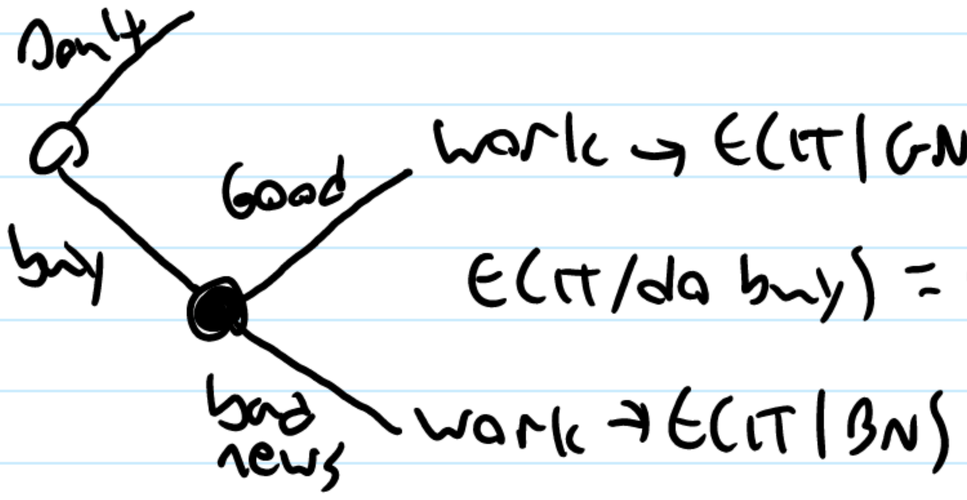
3.13 Value of Information 2

Saturday, February 6, 2021 4:14 PM

Produce → Learn demand → announce price → sell

↑ └ add buy forecast/test → get results →



$E(\pi/\text{do buy}) = Pr(G)E(\pi|GN) + Pr(B)E(\pi|BN)$

Value = best π w/ info − best π w/out info