1 Model 1 Wu and Gonzalez(1996)

Model specification

$$\Omega(p) = \frac{p^\gamma}{[p^\gamma + (1-p)^\gamma]^\alpha} \tag{1}$$

Result

Table 1: MLE Result

	Subjective Probability	
	b	se
sigma	0.260***	0.003
gamma	0.203***	0.007
alpha	0.735***	0.015
N	4299	
Log likelihood = -316.61665		

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Remember from last time

$$\Omega(p) = \frac{p^\gamma}{[p^\gamma + (1-p)^\gamma]^{1/\gamma}} \tag{2}$$

Table 2: MLE result

	Subjective Probability	
	b	se
sigma	0.308***	0.003
gamma	0.648***	0.009
N	4299	
Log likelihood = -1042.7004		

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

2 Model 2 Lattimore, Baker and Witte(1992)

Model specification

$$\Omega(p) = \frac{\alpha p^{\gamma}}{\alpha p^{\gamma} + (1-p)^{\gamma}} \tag{3}$$

Result

Table 3: MLE Result

	Subjective Probability	
	b	se
sigma	0.261***	0.003
gamma	0.234***	0.008
alpha	1.342***	0.025
N	4299	
Log likelihood = -319.67593		

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

3 Model 3 Compound Invariant Ω Prelec(1998)

Model specification

$$\Omega(p) = \gamma \exp\left[-\beta(-\ln p)^{\alpha}\right] \tag{4}$$

Result

Table 4: MLE result

	Subjective Probabilty	
	b	se
sigma	0.256***	0.003
alpha	0.516***	0.034
beta	0.429***	0.025
gamma	0.819***	0.016
N	3917	
Log likelihood = -214.55249		

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

4 Model 4 Conditional Invariant Ω Prelec(1998)

Model specification

$$\Omega(p) = \gamma \exp\left[-\beta(1-p^{\eta})/\eta\right] \tag{5}$$

Result

Table 5: MLE result

	Subjective Probability	
	b	se
sigma	0.257***	0.003
eta	0.349***	0.049
beta	0.389***	0.030
gamma	0.751***	0.009
N	3917	
Log likelihood = -232.1272		

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

5 Model 5 Projection Invariant Ω Prelec(1998)

Model specification

$$\Omega(p) = \gamma((1 - \alpha \ln p)^{-\beta/\alpha} \tag{6}$$

Result
No result...