

PROSPECTS SELECTION FACING RISK

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The multi-attribute method for selection of the prospects facing risk is proposed. Keeny et Raiffa (1976) showed that if certain independence hypotheses are verified, it is possible to decompose the utility function using one-attribute utility functions and scaling constants.

Nevertheless, even if it is available, the assessment of each of the one-attribute utility function isn't the easiest task. This is essentially why in the one-attribute context, the concept of stochastic dominance was developed.

Huang et al. (1976) showed, in the case of the probability independence and the additive multiattribute utility function, that the necessary condition for the multiattribute stochastic dominance is to verify stochastic dominance on the level of each attribute. In practice, the essential characteristic of a multiattribute problem is that we have several conflicting attributes. It seems to be reasonable to weaken this unanimity multiattribute stochastic dominance condition and to accept a majority attribute condition if D.M. is agree with that one. We suggest use Roy's Preference Aggregation Rule which was proposed in the non-stochastic context (see Jacquet Lagreze, 1973).

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