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Teorie očekávaného užitku versus kumulativní prospektová teorie: empirický pohled (Czech only)

[Skořepa, Michal](#)

Year: 2007 Volume: 1 Issue: 2 Pages: 180-195

Abstract: This paper pits expected utility theory and cumulative prospect theory against each other as regards their descriptive accuracy. Some older as well as newer pieces of evidence are described which show that under certain circumstances, expected utility theory is not descriptively valid. The most promising alternative, cumulative prospect theory, is then presented in some detail, including a brief discussion of how it avoids violations of stochastic dominance and how it explains the above evidence. It is pointed out that there are other empirical observations which cannot be explained by cumulative prospect theory either. It is concluded that expected utility theory is likely to remain the core instrument for modeling human decision-making under risk at least in the near future.

JEL classification: B59, D12, D81

Keywords: expected utility theory, cumulative prospect theory, decision making under risk, economic experiments, weighting function, value function, rank-dependent decision making, reference-dependent decision making

RePEc: http://ideas.repec.org/a/fau/aucoz/au2007_180.html

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