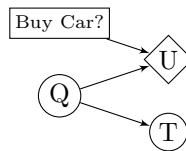


1 Decision Networks and VPI

A used car buyer can decide to carry out various tests with various costs (e.g., kick the tires, take the car to a qualified mechanic) and then, depending on the outcome of the tests, decide which car to buy. We will assume that the buyer is deciding whether to buy car c and that there is time to carry out at most one test which costs \$50 and which can help to figure out the quality of the car. A car can be in good shape (of good quality $Q = +q$) or in bad shape (of bad quality $Q = \neg q$), and the test might help to indicate what shape the car is in. There are only two outcomes for the test T : pass ($T = \text{pass}$) or fail ($T = \text{fail}$). Car c costs \$1,500, and its market value is \$2,000 if it is in good shape; if not, \$700 in repairs will be needed to make it in good shape. The buyers estimate is that c has 70% chance of being in good shape. The Decision Network is shown below.



(a) Calculate the expected net gain from buying car c , given no test.

(b) Tests can be described by the probability that the car will pass or fail the test given that the car is in good or bad shape. We have the following information:

$$P(T = \text{pass} \mid Q = +q) = 0.9$$

$$P(T = \text{pass} \mid Q = \neg q) = 0.2$$

Calculate the probability that the car will pass (or fail) its test, and then the probability that it is in good (or bad) shape given each possible test outcome.

(c) Calculate the optimal decisions given either a pass or a fail, and their expected utilities.

(d) Calculate the value of (perfect) information of the test. Should the buyer pay for a test?

2 Decision Trees

You are a geek who hates sports. Trying to look cool at a party, you join a discussion that you believe to be about football and basketball. You gather information about the two main subjects of discussion, but still cannot figure out what sports they play.

| Sport | Position | Name | Height | Weight | Age | College |
|-------|---------------|----------------|--------|--------|-----|----------------|
| ? | Guard | Charlie Ward | 6'02" | 185 | 41 | Florida State |
| ? | Defensive End | Julius Peppers | 6'07" | 283 | 32 | North Carolina |

Fortunately, you have brought your CS 188 notes along, and will build some classifiers to determine which sport is being discussed. You come across a pamphlet from the Atlantic Coast Conference Basketball Hall of Fame, as well as an Oakland Raiders team roster, and create the following table:

| Sport | Position | Name | Height | Weight | Age | College |
|------------|----------|----------------------|--------|--------|-----|----------------|
| Basketball | Guard | Michael Jordan | 6'06" | 195 | 49 | North Carolina |
| Basketball | Guard | Vince Carter | 6'06" | 215 | 35 | North Carolina |
| Basketball | Guard | Muggsy Bogues | 5'03" | 135 | 47 | Wake Forest |
| Basketball | Center | Tim Duncan | 6'11" | 260 | 35 | Oklahoma |
| Football | Center | Vince Carter | 6'02" | 295 | 29 | Oklahoma |
| Football | Kicker | Tim Duncan | 6'00" | 215 | 33 | Oklahoma |
| Football | Kicker | Sebastian Janikowski | 6'02" | 250 | 33 | Florida State |
| Football | Guard | Langston Walker | 6'08" | 345 | 33 | California |

2.1 Entropy

Before we get started, let's review the concept of entropy.

(e) Give the definition of entropy for an arbitrary probability distribution $P(X)$.

(f) Draw a graph of entropy $H(X)$ vs. $P(X = 1)$ for a binary random variable X .

(g) What is the entropy of the distribution of Sport in the training data? What about Position?

- (1) You may have noticed that the testing data has a value for Position that is missing in training data. What could we do in this case?