The probabilities for the states of nature A, B, and C are 0.3, 0.5, and 0.2, respectively. If a person were to use the expected opportunity loss criterion, what decision would be made?

|  |  |  |  |
| --- | --- | --- | --- |
|  | STATE OF NATURE | | |
| ALTERNATIVES | A | B | C |
| Alterative 1 | 20 | 100 | 0 |
| Alterative 2 | 100 | 0 | 25 |
| Alterative 3 | 0 | 40 | 90 |

A. Alternative 1

B. Alternative 2

C. Alternative 3

D. State of Nature C

E. State of Nature B