

BASE SURVEY

1. Your email address:

2. First name:

3. Last name:

4. Your MIT ID:

5. Team number:

6. What role will you play?

- Jessie Jumpshot
- Jumpshot's Agent
- Boston Sharks

7. What is your BATNA? Please answer in millions.

BATNA: \$ million

8. Write an equation for the expected value of the Jessie's championship-based Bonus (\$B). Hint: Use a simple decision tree to calculate the expected value of Jessie's bonus. Use the variable "\$B" in your equation.

9. Write an equation for the expected value of the merchandising profits (\$M). Hint: Use a simple decision tree to calculate the expected value of the merchandising profits based on the probability that the Sharks win the championship. Use the variable "\$M" in your equation.

10. Write an equation for the value of the total deal to YOU. Please remember to include +/- salary (\$S) +/- bonus (\$B) + merchandising profits (\$M) +/- less any other costs, including commissions to the agent (\$A).

11. Develop 2 proposals that you are indifferent to i.e. the expected value of both deals are equal. For both proposals, the expected value should be greater than your BATNA.

Proposal #1: +/- Salary +/- Bonus + Merchandising Profits +/- Agent Commission

Proposal #2: +/- Salary +/- Bonus + Merchandising Profits +/- Agent Commission

List the values for S, B, M, A for both proposals and calculate the expected value of each proposal.

12. What would be the first question you would ask each of your counterparties?

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15.067 Competitive Decision-Making and Negotiation
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