

### Additional Analysis

A referee also wondered whether those subjects who exhibit the (standard) preference reversal in certainty equivalents behave consistently (i.e. don't reverse at all) when asked probability equivalents, and vice-versa. We have done the analysis, as set out below. The tables follow, but the verbal summary is this.

Out of the 89 subjects, 57 (i.e. nearly two-thirds) exhibited  $CE\$ > CEP$  together with  $PE\$ < PEP$ , in line with the M&S model. All of those who chose P therefore committed the standard CE reversal while being consistent with their PE responses. Meanwhile, all the others chose \$ and therefore made choices consistent with their CE responses but committed PE reversals of the kind M&S predicted. Of course, it is not possible for the same individual to commit both predicted reversals at the same time, since one requires P to be chosen while the other entails choosing \$. But we can get both types of reversal predominating over their opposites so long as the conjunction of  $CE\$ > CEP$  together with  $PE\$ < PEP$  is much more common than the opposite conjunction of  $CE\$ < CEP$  together with  $PE\$ > PEP$  (which it is, by 57:1) and so long as those 57 don't nearly all choose P or else nearly all choose \$. In fact, those 57 were divided between choosing P and choosing \$ in approximately the same way that the sample as a whole was divided between P and \$.

Besides those 57, there were 10 who strictly favoured P in both equivalence tasks – i.e.  $CEP > CE\$$  *and*  $PEP > PE\$$ ; and these 10 all chose P in each of the three straight choices between P and \$, so were consistent throughout.

There were another 10 who strictly favoured \$ in both equivalence tasks – i.e.  $CE\$ > CEP$  *and*  $PE\$ > PEP$ . Of these, 7 chose \$ on all three occasions and were therefore consistent throughout; but 1 chose P twice and the other two chose P on all three occasions, thereby manifesting standard CE reversals.

Then there were 10 who set  $CE\$ = CEP$ : 8 of these chose P on all three occasions, while the remaining 2 chose P twice and \$ once; the majority of these also set  $PEP > PE\$$  and therefore did not register as strictly inconsistent.

1 person set  $PE\$ = PEP$  and  $CE\$ > CEP$  and chose P on two occasions, \$ once. And 1 person set  $CE\$ < CEP$  together with  $PE\$ > PEP$ , and chose \$ on two out of the three occasions.

Because there were three occasions when subjects chose between P and \$, six tables are needed to show the detail, as follows:

#### **Choice #1**

<b>Chose P (61)</b>			
	PE\$ > PEP	PE\$ = PEP	PE\$ < PEP
CE\$ > CEP	3	-	39
CE\$ = CEP	1	-	8
CE\$ < CEP	-	-	10

<b>Chose \$ (28)</b>			
	PE\$ > PEP	PE\$ = PEP	PE\$ < PEP
CE\$ > CEP	7	1	18
CE\$ = CEP	1	-	-
CE\$ < CEP	1	-	-

### Choice #2

Chose P (68)			
	PE\$ > PEP	PE\$ = PEP	PE\$ < PEP
CE\$ > CEP	3	1	43
CE\$ = CEP	2	-	8
CE\$ < CEP	1	-	10

Chose \$ (21)			
	PE\$ > PEP	PE\$ = PEP	PE\$ < PEP
CE\$ > CEP	7	-	14
CE\$ = CEP	-	-	-
CE\$ < CEP	-	-	-

### Choice #3

Chose P (64)			
	PE\$ > PEP	PE\$ = PEP	PE\$ < PEP
CE\$ > CEP	2	1	42
CE\$ = CEP	2	-	7
CE\$ < CEP	-	-	10

Chose \$ (25)			
	PE\$ > PEP	PE\$ = PEP	PE\$ < PEP
CE\$ > CEP	8	-	15
CE\$ = CEP	-	-	1
CE\$ < CEP	1	-	-