p. 208:

b = 2

b = 0.5

**b = 1**

b = 1.5

b = 2

b = 0.5

**b = 1**

b = 1.5

b = 2

b = 0.5

**b = 1**

b = 1.5

b = 2

b = 0.5

b = 1.5

**b = 1**

Figure 7.2.2. Prelec’s compounding invariance family (Eq. 6.4.1)

w

b and pessimism increase

a = 0.60 (inverse-S)

a = 1 (power functions)

a = 1.5 (S-shape)

a = 0.35 (strong inv-S)

p

a decreases; likelihood insensitivity increases

0.5

1

0

0.5

1

0

0.5

1

0

0.5

1

0

0.5

1

0

Elucidation: This Figure contains graphs of the function

w(p) = (*exp*(− (−*ln*(p))a))b

with a and b as indicated in the figures.

I made the graphs using Scientific Workplace (did not keep input files) as explained above.