p. 208:

b = 1

b decreases; pessimism increases

b = 0.3

b = 1.5

a = 1

a = 1.5 (S-shape)

a = 0.35 (strong inv-S)

b = 1

a = 0.69 (inverse-S)

**b = 0.77**

b = 0.3

b = 0.3

b = 0.3

**b = 0.77**

**b = 0.77**

**b = 0.77**

b = 1.5

b = 1.5

b = 1.5

b = 1

b = 1

0.5

1

0

0.5

1

0

0.5

1

0

0.5

1

0

p

a decreases; likelihood insensitivity increases

w

0.5

1

0

Figure 7.2.3. The family of Eq. 7.2.4

Elucidation: This Figure contains graphs of the function

bpa + (1−p)a

bpa

w(p) =

with a and b as indicated in the figures.

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